



PALMERSTON NORTH CITY COUNCIL

AGENDA FINANCE & AUDIT COMMITTEE

9AM, WEDNESDAY 19 FEBRUARY 2020
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Susan Baty (Chairperson)
Karen Naylor (Deputy Chairperson)
Grant Smith (The Mayor)

Vaughan Dennison
Renee Dingwall
Lew Findlay QSM
Patrick Handcock ONZM

Leonie Hapeta
Lorna Johnson
Bruno Petrenas
Tangi Utikere

Agenda items, if not attached, can be viewed at:

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter
Chief Executive, Palmerston North City Council

Palmerston North City Council

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FINANCE & AUDIT COMMITTEE MEETING

19 February 2020

ORDER OF BUSINESS

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. Confirmation of Minutes

Page 7

“That the minutes of the Finance & Audit Committee meeting of 4 December 2019 Part I Public be confirmed as a true and correct record.”

6. Conference Opportunity - Rangitāne Appointed Members

Page 13

Memorandum, presented by Hannah White, Democracy & Governance Manager.

7. Quarterly Performance and Financial Report - Quarter Ending 31 December 2019

Page 17

Memorandum, presented by Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning.

8. Treasury Report - 6 months ending 31 December 2019

Page 83

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

9. New Deed of Lease for Manawatu Pony Club, Manawatu Canine Club and Ruahine Kindergarten Milverton

Page 93

Memorandum, presented by Bryce Hosking, Manager - Property.

10. Powerco Easement at Vautier Park

Page 99

Memorandum, presented by Bryce Hosking, Manager - Property.

11. Wastewater BPO Quarterly Report & Financial Status Page 103

Report, presented by Robert van Bentum - Transport and Infrastructure Manager, Sacha Haskell, GM - Communications and Marketing.

12. PNCC Animal Shelter Options Page 117

Report, presented by Bryce Hosking, Manager - Property.

13. Committee Work Schedule Page 187

14. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 04 December 2019, commencing at 9.00am

Members Present: Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor and Tangi Utikere.

Non Members: Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Aleisha Rutherford.

Apologies: Councillor Bruno Petrenas.

Councillor Bruno Petrenas entered the meeting at 11.15am during consideration of clause 78. He was not present for clauses 72 to 77 inclusive.

1-19 Apologies

Moved Susan Baty, seconded Rachel Bowen.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 1-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

2-19 Public Participation at Meetings

Memorandum, presented by Natalya Kushnirenko, Democracy & Governance Administrator.

Moved Vaughan Dennison, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Finance & Audit Committee set aside a public comment section of not more than 30 minutes at the commencement of each ordinary meeting of the Committee to provide members of the community the opportunity to comment.

Clause 2-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie

Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

3-19 Public Comment

Mr John Hornblow and Mr Robert Gibb made public comment regarding a proposal to establish a climate change group.

Moved Susan Baty, seconded Lorna Johnson.

The COMMITTEE RESOLVED

1. That the Public Comment be received for information.

Clause 3-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

4-19 4 Month Performance and Financial Report - Period Ending 31 October 2019
Memorandum, presented by Stuart McKinnon, Finance Manager.

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Committee receives the October 2019 Performance and Financial Report and note:
 - a. The October 2019 financial performance.
 - b. The September 2019 quarterly operating performance.
 - c. The October 2019 capital expenditure programme progress.

Clause 4-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

5-19 Treasury Report - 3 months ending 30 September 2019
Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RESOLVED

1. That the performance of the treasury activity for the 3 months ended 30 September 2019 be noted.

Clause 5-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

6-19

Review of Structure of Dog Control Fees

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Lorna Johnson, seconded Billy Meehan.

The **COMMITTEE RECOMMENDS**

1. That the report be received and that it be noted that officers will be placing more emphasis than before on monitoring compliance with the criteria for classification as a preferred owner.
2. That no specific change be made to the charging structure for animal control fees but the rationale for the components of the fees be consciously considered each year as part of the process of recommending an updated schedule of fees and charges.

Clause 6-19 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

Meeting adjourned at 10.42am.

Meeting resumed at 11.05am.

7-19

Contract Approval - CET Arena - Arena 2 Ceiling, Lighting and Fire System Upgrade

Memorandum, presented by Bryce Hosking, Manager - Property.

Councillor Bruno Petrenas entered the meeting at 11.15am.

Moved Susan Baty, seconded Rachel Bowen.

The **COMMITTEE RECOMMENDS**

1. That the Council approves the contract between Palmerston North City Council and Colspec Construction Limited for the Arena 2 Ceiling, Lighting and Fire System Upgrade for the sum of \$2,082,757 + GST. This is for the major construction works including contingency, beginning on 9 December 2019.
2. That the Council notes that:
 - a) Enabling and minor works for this project, including the procurement of materials and sub-contractors, have already been completed. These works will be reflected in the contract between Palmerston North City Council and Project Work 2008 Limited for the Arena 2 Ceiling, Lighting

and Fire System Upgrade for the sum of \$277,244 + GST; and

- b) The major construction works covered in the contract to be approved in Recommendation 7-19.1 of the report titled "Contract Approval – CET Arena – Arena 2 Ceiling, Lighting and Fire System Upgrade" and dated 4 December 2019, are set to begin on 9 December 2019. This means works will commence prior to Recommendation 1 being approved by Council.

Clause 7-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

8-19

New Deed of Lease for 21 Havelock Avenue

Memorandum, presented by Bryce Hosking, Manager - Property.

Moved Aleisha Rutherford, seconded Lorna Johnson.

The COMMITTEE RECOMMENDS

1. That the Council as the administering body under the Reserves Act 1977, on behalf of the Minister of Conservation, approves the lease of land and building at 21 Havelock Avenue, Palmerston North, to Papaioea Pasifika Centre Trust.
2. That the Council agree to execute a new five-year and nine-months lease between Palmerston North City Council and Papaioea Pasifika Centre Trust for 21 Havelock Avenue, Palmerston North.

Clause 8-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

9-19

Committee Work Schedule

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Finance & Audit Committee receive its Work Schedule dated December 2019.

Clause 9-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie

Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

10-19 Request for City Wide Capital New Programme to Fund New Parking Infrastructure

Memorandum, presented by Robert van Bentum, Manager Transport and Infrastructure.

Moved Lorna Johnson, seconded Susan Baty.

The **COMMITTEE RECOMMENDS**

1. That the Council approve a Capital New Programme entitled City Wide - On-Street Parking Infrastructure for the 2019-20 financial year with a budget of \$75,000.

Clause 10-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

11-19 Te Motu o Poutoa Land Purchase Opportunity

Report, presented by Kathy Dever-Tod, Parks and Reserves Manager.

Moved Brent Barrett, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Council purchases the land at the entranceway to Te Motu o Poutoa for \$300,000 from Higgins Family Holdings.
2. That the Council funds the \$300,000 land purchase by: 1. transferring \$170,000 of the unspent budget from Programme 708 (Urban Growth - Aokautere - Reserves Land Purchase) to this purchase; and 2. utilising \$130,000 of unallocated budget from Programme 94 (Walkways and Shared Path – Purchase of Land to Extend Walkways) for this purchase to make up the total.
3. That the top up of Programme 708 (Urban Growth - Aokautere - Reserves Land Purchase) of \$170,000 to cover the amount used at Te Motu o Poutoa to purchase the entranceway land be referred to the next 10 Year Plan 2021 process.

Clause 11-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

12-19 CET Arena Redevelopment Update

Memorandum, presented by Bryce Hosking, Manager - Property.

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RECOMMENDS

1. That Council approve the plan to deliver Programmes 1534 (Embankment), 1082 (Speedway Pits Relocation) and 1083 (Entrance Plaza) concurrently as one project through a single main contractor during the 2019/20 and 2020/21 years.
2. That Council approve the budgets for these Programmes totalling \$6.833m for the current 2019/20 financial year and \$8.862m for the 2020/21 financial year as follows:

	2019/20	2020/21
Programme 1534	\$1,694,000	\$2,481,000
Programme 1082	\$2,876,000	\$4,040,000
Programme 1083	\$2,263,000	\$2,341,000
TOTAL	\$6,833,000	\$8,862,000

3. That Council note that as a consequence of the changes above the remaining LTP budgets for the following Programmes have been reduced to the following:

Programme 990	\$6,757,000
Programme 1083 (Land Purchase)	\$1,008,000

Clause 12-19 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting finished at 12.46pm

Confirmed 19 February 2019

Chairperson

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Conference Opportunity - Rangitāne Appointed Members

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the attendance of Rangitāne Appointed Member Mr Chris Whaiapu, with expenses paid, at the Te Maruata Hui of LGNZ being held in South Taranaki on 11 and 12 March 2020, be approved.
2. That a review of the Expenses Policy be undertaken to consider whether the Policy be extended to cover all Appointed Members.

1. ISSUE

Rangitāne Appointed Members are not covered by the Elected Members' Expenses Policy, last revised 13 November 2019, which sets out expenses for travel and attendance at conferences/seminars/training/programmes; nor Delegation 190, which specifies authority only regarding elected member conferences or training opportunities. Thus, a resolution is required to seek approval.

Anticipated expenses for attending this Hui are:

Hui	Free
Accommodation	Free
Travel	\$300.00

2. BACKGROUND

The hui will provide an opportunity for Māori elected and appointed members to connect, learn more about Local Government New Zealand's work, participate in the election of a new Te Maruata Roopu Whakahaere, and engage with key stakeholders.

The hui programme is attached.

3. NEXT STEPS



If the Committee decides to approve the expenses associated with attendance at this conference, registration will be made.

If Recommendation 2 is passed, consideration of the Expenses Policy will be undertaken.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual 174	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy The action is: N/A	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Opportunity for individual professional development leads to increased capacity for Council to carry out its duties, in particular the priority of excelling at good governance. Networking with other Māori elected and appointed members from across the country provides an opportunity to consider good practice and reflect on PNCC's growing relationship with Rangitāne.

ATTACHMENTS

1. Te Maruata Hui Programme  

About this Event

High-level hui agenda :

Wednesday 11 March 2020 - Waiokura

12.00pm Bus transport from New Plymouth Airport to Kātere, local papakainga (address details will be provided in due course for those driving)

12.30pm Tour of the papakainga and maara, kai to follow

2.00pm Bus transport to Waiokura Marae, Manaia, South Taranaki

3.00pm Powhiri

4.00pm onwards LGNZ related business, including election of Te Maruata Roopu Whakahaere

Overnight accommodation will be provided free of charge at Waiokura Marae, Manaia, South Taranaki.

Thursday 12 March 2020 - Parihaka

8.15am Bus transport from Waiokura Marae to Parihaka

9.00am Powhiri

10.00am onwards Guest presentations/tour of Parihaka

2.00pm Bus transport from Parihaka to New Plymouth – two drop-off locations:

- New Plymouth's "Arts Precinct" – Len Lye Centre and Govett-Brewster Art Gallery/Puke Ariki Museum
- New Plymouth Airport

A more detailed programme and agenda will be provided to those who register to attend.

Please note that the first Te Maruata hui of the triennium is for elected and appointed members only. Opportunities for Māori staff to participate in Te Maruata hui will be provided throughout 2020, including at a pre-LGNZ Conference hui in Marlborough on 15 July 2020.

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Quarterly Performance and Financial Report - Quarter Ending 31 December 2019

PRESENTED BY: Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning

APPROVED BY: Stuart McKinnon, Finance Manager
Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the Committee receive the December 2019 Quarterly Performance and Financial Report.

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 31 December 2019. This is the second update provided for the year.

2. BACKGROUND

Details of operating and financial performance are included in the following sections. Reports are against the goals as detailed in the 10 Year Plan 2018-28.

3. NEXT STEPS




A further performance and financial report will be provided after the end of the March 2020 quarter.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No

If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
The action is: to enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	As above.

ATTACHMENTS

1. December 2019 Performance and Financial Report - CE overview and financial summary [↓](#) 
2. December 2019 Performance and Financial Report - Performance measures [↓](#) 
3. December 2019 Performance and Financial Report - Supplementary materials [↓](#) 

Report to Council – December 2019

Chief Executive's Report to Council For December 2019

Introduction

The year has finished on a very busy but positive note. It is fantastic that the new Council is now up and running with inductions completed and committee and portfolio structures in place. Having confirmation of our strategic direction set in 2018 has also been critically important to continuing the journey of making Palmerston North a great place to live, work and play. This enables the organisation to clearly focus on the continued delivery of our programmes and projects, alongside driving further operational efficiencies and planning for the next 10 Year Plan review.

Over the past quarter a number of events and projects showcased our City as a vibrant and exciting place to live, work and play. From the Diwali celebrations and animated digital building art; to cementing our role as wind farm capital of New Zealand with Mercury Energy's \$236M wind farm investment at Turitea; through to recognition of our people (Youth Services Coordinator Kiesha Dais as a Kiwibank Local Hero), places (ex staff member Michele Frey's stunning Te Āpiti Manawatū Gorge book), programmes (National awards from Recreation Aotearoa for work at the Lido, CET Wildbase Recovery Centre, Ahimate Reserve, Palmy Rocks, Dirty 30 and Passport to Play), and projects (He Ara Kotahi winning the Sustainable Transport Leadership Award at the NZ Transportation Institute Awards). What a fantastic place Palmerston North City is becoming.

The Council's 10 Year Plan outlines 94 key performance measures (KPI) that indicate achievement towards the city's vision, goals and guiding principles. In the second quarter, we tracked well with a total of 79 measures (90%) having been achieved out of 88 that can be measured at this time of the year. Of the remaining measures, 6 (7%) have not been achieved but are able to get back on track, and 3 (3%) have not been achieved and are unlikely to get back on track. Three others will not be achieved for reasons largely outside of Council's control. Of the 3 unlikely to get back on track, one relates to high demand for resource consents, one to response time for road services, and one relates to delays in the City Centre Streetscape Plan. There are 3 measures that aren't able to be measured until year-end.

Financial

I can report a favourable surplus in our operational budget of \$977,000. This due to favourable dividend payments (\$619,000) and lower interest expenses than budgeted (\$669,000) due to lower interest rates, offset by professional services and unbudgeted expenses relating to the Military Tattoo.

The capital new programme continued to progress in the second quarter with a total of \$11.1M completed against a budget of \$14.1M, being 19% completed against budget for the year to date. Overall, this work is progressing well as the Infrastructure Unit continue to drive the programme forward. Programmes that are contributing to the underspend include the Whakarongo urban growth programmes, Stoney Creek Road Safety Upgrade, Turitea Water Treatment Plant Duplicate Pipeline, and CET Arena Speedway Relocation.

Renewal expenditure of \$12.1M has been completed to the end of December, against a budget of \$12.9M, with a total of 41% of work completed against budget for the year to date. This compares to \$8.7M and 33% being completed at the same point last year. It is fantastic to see this

programme of work is substantially on track, with Sealed Pavement Renewals, Sealed Road Resurfacing, Ashhurst Bore to Reservoir Pipe Replacement contributing to the underspend.

External Fundraising

In November the Central Energy Trust approved \$1,078,775 towards the electrical components of the Central Energy Trust Arena Speedway Pits, Plaza Entrance and Embankment projects. They also approved the separate application for \$35,000 for the 2020 Military Tattoo.

Bunnythorpe Community Centre Association (BCCA) was unsuccessful with its application to the Lotteries Community Facilities fund for \$700,000. The reason they gave was too many applications for the pool of funding available, \$2.3M was a lot for a Community Centre for a township of 700 people and its location wasn't considered remote with Fielding and Palmerston North within a 15-minute drive. They were also compared to other applications within the area that had cheaper options with larger populations. Similar feedback was received from the Eastern and Central Community Trust (ECCT) where the BCCA had applied for \$250,000. Council Officers and the BCCA are working together on a Community Centre of around \$1.5M.

In January, an application was sent to Lion Foundation for \$49,000 for the 2020 Military Tattoo. The fundraising application for the remaining \$235,000 for Memorial Park Splashpad project has commenced and will be submitted to the Lottery Community Facilities Fund in February.

Catalyst projects

Key highlights over the quarter on three catalyst projects that are a key part of the 10 Year Plan are outlined below. There is more information on all the projects later in this report:

- **'Streets for People' Square East:** Council approved award of tender at the end of the quarter for Stage 2 of Square East (Plaza to Main Street roundabout), with site establishment commencing 28th January 2020. Stakeholder engagement with local businesses also commenced and will be ongoing through the construction, with their first meeting scheduled for 15th January 2020. Procurement for Stages 3 to 6 will occur in February.
- **Central Energy Trust Arena Masterplan:** Tenders were received and a preferred tenderer identified for the speedway pits relocation, entrance plaza and embankment improvements. Discussions on value engineering and construction options are being investigated to ensure alignment to LTP budgets. The feasibility study continued during the quarter on the viability of an administration/commercial building for Arena administration, stakeholders and other commercial tenants. Completion of this work is anticipated in February 2020.
- **Victoria Esplanade:** Park Road entrance options were assessed during the quarter, with a proposed report to Council in the new year. Finalisation of the upgrade requirements for the Bonsai/Lath house was undertaken this quarter, with detailed design progressing in the next quarter.
- **Manawatu River Shared Pathway (Ashhurst to City):** A topographical survey was completed along the full length of the proposed pathway and discussions with Horizons on flood risk/erosion issues occurred to inform the proposed design. Discussion and negotiations with landowners to enable construction and use continued.
- **Manawatu River Framework:** Pou for the entranceway and the pole tohanga were completed, with work on Marae Atea Pou underway. The bike skills area at Ahimate was completed and is proving to be very popular. Exercise equipment was successfully trialled in the Square with the community choosing to install along the River between He Ara Kotahi and Fitzherbert Bridge. The urban eels project commenced with site fencing and tree removal ready for stream diversion for the platform construction. Council resolved to purchase land from Manawatu Golf Club, and resource consent was obtained for construction of the Turitea Pa Site.

- Wastewater Treatment Plant Upgrade: Land, ocean, wetland and land passage option reports were received, and technical workshop were held to determine constraints associated with potential land-based options. Project Steering Group meeting held, and confirmed additional funding to be sought for technical and marketing budgets through Finance and Audit Committee in February. Stakeholder meetings will commence in February 2020 and community consultation in March 2020.
- Strategic Transport: Collaboration is continuing with NZTA and KiwiRail on the regional freight ringroad and Freight Hub projects. Business cases are progressing for the ringroad with the freight study and traffic model being finalised. KiwiRail expect to announce their preferred option, and NZTA to determine the preferred package of works for the ringroad early next year.
- Residential Growth Areas: Over the last quarter, Whakarongo stormwater plans were re-designed for stage 1 consent submission in January 2020, Napier Road (Plan Change B) notified for further submissions, Plan Change work for Kakatangiata was initiated and Roxburgh Crescent rezoning progressed.
- Stormwater: Aokautere erosion threshold assessment is progressing with a draft strategy report due mid-February 2020. The Whakarongo attenuation pond draft concept report is completed, with discussions scheduled with Horizons in February 2020 and lodgement for a global discharge resource consent for Whakarongo and Napier Road Lagoon expected in March 2020.
- Water Supply: The award of tender for the Turitea Duplicate Water Main project was approved by Council in December. Final control work to the bore at Papaioea Park was completed and is now ready for commissioning. Design of the Railway Road bore pumping and treatments work was also completed. Ashhurst rising main construction is 50% complete.
- Three Waters Service Delivery: I coordinated a presentation from the Department of Internal Affairs (DIA) to all Councils' Chief Executives, Mayors and Elected Members at the beginning of December to outline the latest thinking in Government on the Three Waters Reform. Chief Executives across the region briefed their respective Elected Members on our collaborative three waters service delivery review work. Endorsements were received from the majority of Councils to proceed to the next phase – assess a preferred option for regional collaboration to build a strong alliance. New Plymouth/Taranaki have indicated interest in joining our region for the next phase of work, and we will be making an application to DIA early next year for funding towards this work.

Organisational Transformation

The organisation has finalised a refresh of the behaviours and values that are important for moving to a constructive culture that enables us bring collaboration and agility across the organisation for the betterment of our customers and community. Sitting alongside our leadership charter, these behaviours and values, will be embedded within the organisation in everything we do through 2020.

During the final month of this quarter we onboarded new staff to the Infrastructure Unit and it is pleasing to see these teams now up and running ready to make a difference next year. I also announced a realignment of our Customer, Community and Human Resources teams into two new Customer and People units, which will ensure we put an increased emphasis on a joined up external customer experience and internal support of our people to ensure we achieve strong results in line with the Vision.

I am looking forward to working with you all to continue the excellent progress we are making.

Heather Shotter
Chief Executive Officer

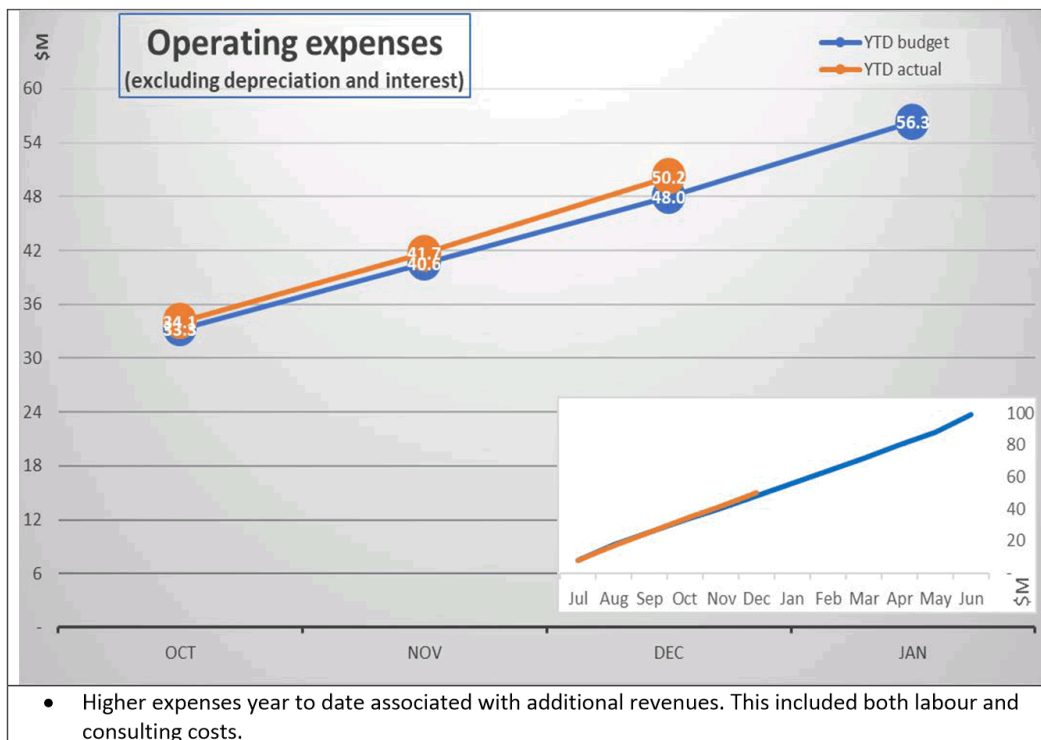
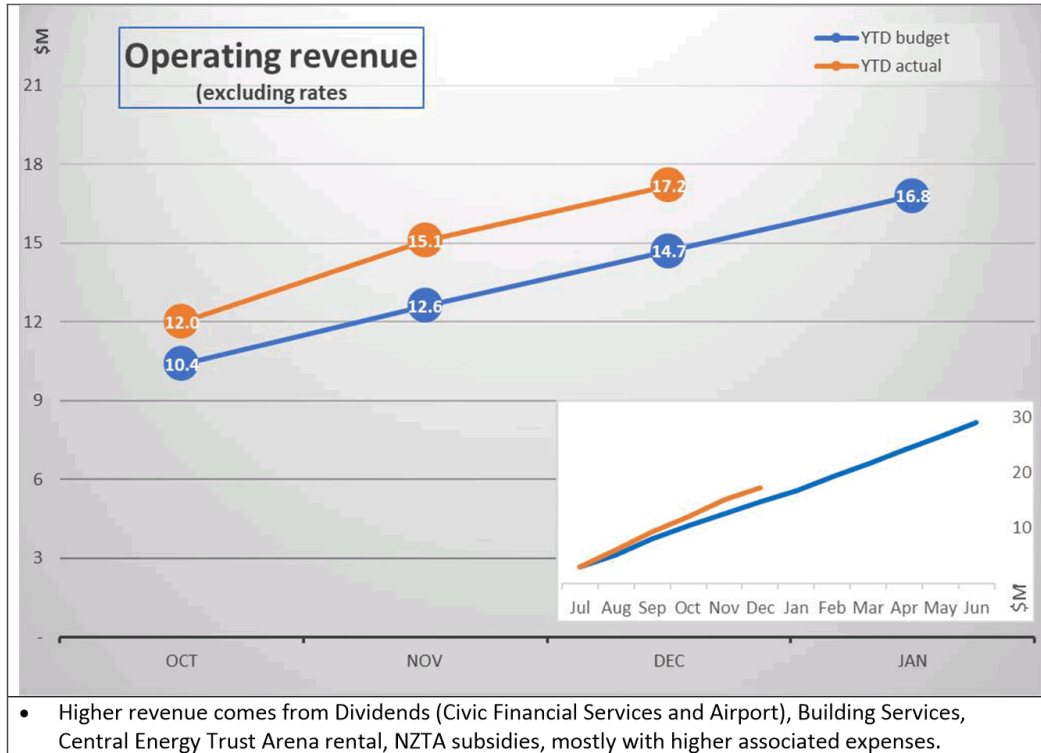
Financial Summary to Budget

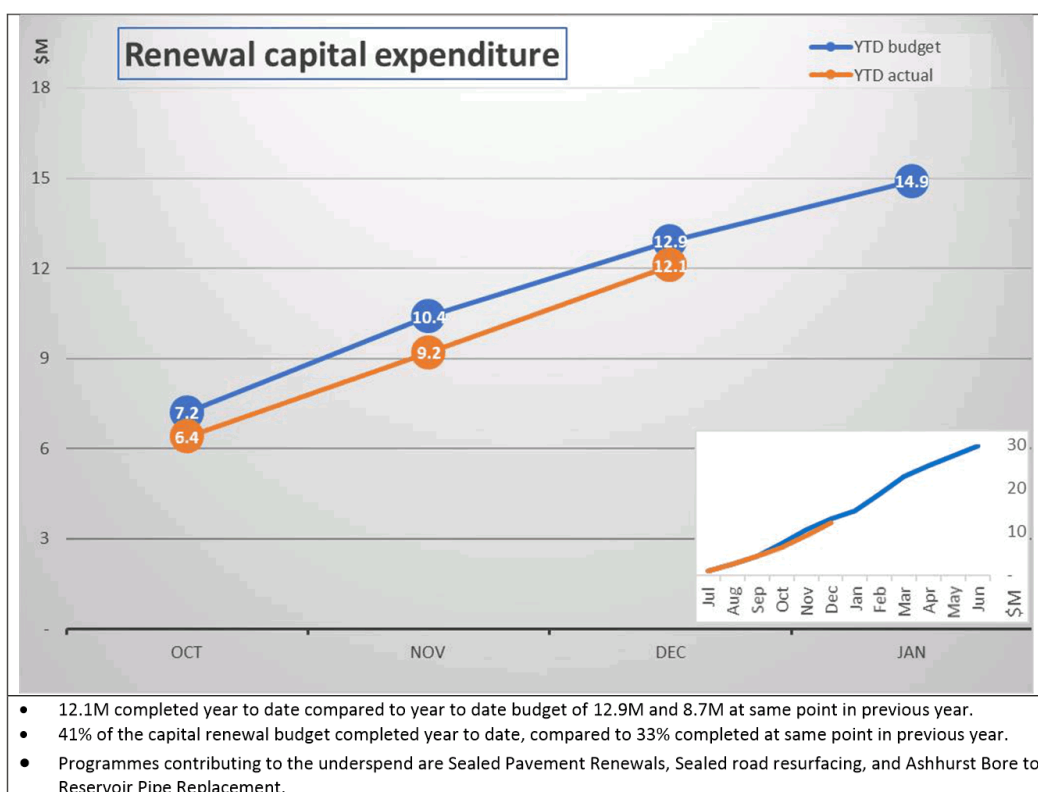
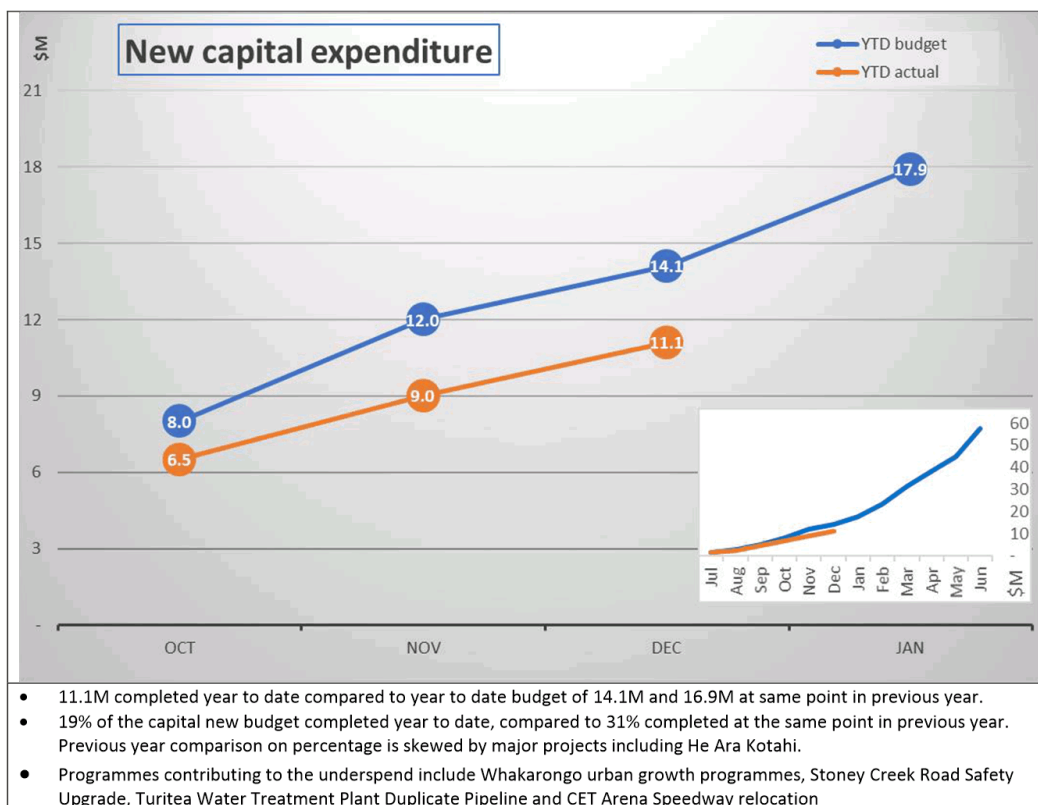
The following table of operating financial performance and graphs are compared to revised budget.

Summary of Financial Performance For the period to 31 December 2019	2019/20 \$000's					
	Year to Date		Variance		Full Year	Full Year
	Actual	Budget	\$000's	%	Revised Budget	Annual Budget
Operating revenue	17,182	14,675	2,507	17.1%	29,119	28,978
Rates	49,519	49,502	17	0.0%	98,893	98,855
Total Revenue	66,701	64,178	2,523	3.9%	128,012	127,832
Operating Expenses	50,168	47,951	(2,216)	(4.6%)	98,901	98,472
Interest	2,819	3,489	669	19.2%	7,609	7,599
Total Expenses	52,987	51,440	(1,547)	(3.0%)	106,511	106,071
Operating Controllable Surplus / (Deficit)	13,714	12,738	977	7.7%	21,501	21,761
Depreciation	(18,275)	(17,810)	(465)		(35,619)	(35,619)
Non-operating revenue	6,112	5,135	977		11,298	11,298
Non-operating expenses	1,172	-	1,172		3,995	3,995
Net Result	2,724	64	2,660		1,175	1,435

Highlights:

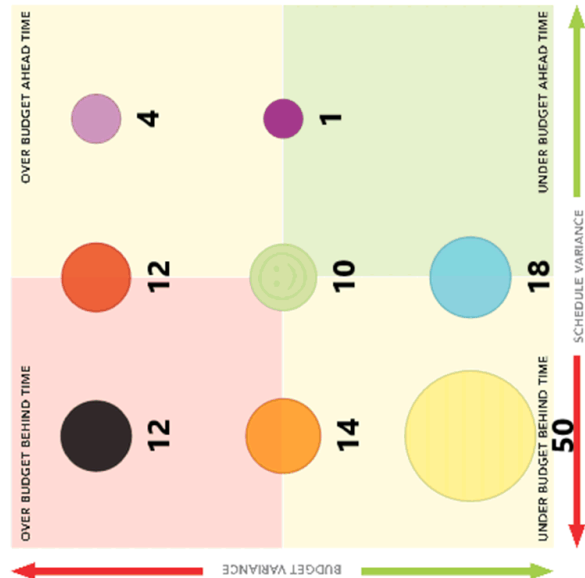
- Overall operating surplus is \$977k favourable against budget.
- Favourable operating revenue includes:
 - additional dividend revenues from Civic Financial Services (CFS) for a one-off unbudgeted payment due to the sale of a building. This is mostly offset by a reduction in the value of Council shares in CFS.
 - Higher dividend from Airport.
 - CET Arena rental by contact centre (NZTA).
 - Building Services, with higher associated expenses.
 - Higher NZTA operating subsidies.
- Net interest is favourable due lower interest rates.
- Higher operating expenses year to date is mostly associated with additional revenues
 -
- Non-operating revenue is higher than budget due to increased revenue from development contributions and vested assets.





Capital New Work Summary for DECEMBER 2019/20

Capital Work Progress and Budget Summary



Description	Programme Count	Budget Health	Schedule Health	YTD Actuals	YTD Budget	Variance	Total Budget
Not Started	18			\$0	\$0	\$0	\$3,972,199
On Budget Ahead of Schedule	1	●	●	\$375,179	\$375,179	\$0	\$770,808
On Budget Behind Schedule	14	●	●	\$3,065,385	\$3,230,482	\$165,097	\$7,718,917
On Track	10	●	●	\$1,783,347	\$1,828,062	\$44,715	\$2,868,517
Over Budget Ahead of Schedule	4	●	●	\$523,275	\$198,997	(\$324,278)	\$749,128
Over Budget Behind Schedule	12	●	●	\$1,587,791	\$922,233	(\$665,558)	\$5,808,120
Over Budget On Schedule	11	●	●	\$1,040,767	\$652,611	(\$388,156)	\$5,173,345
Under Budget Behind Schedule	50	●	●	\$2,181,111	\$5,832,749	\$3,651,638	\$22,023,364
Under Budget On Schedule	17	●	●	\$553,742	\$1,087,248	\$533,506	\$8,590,210
Total	137			\$11,110,597	\$14,127,561	\$3,016,964	\$57,674,608

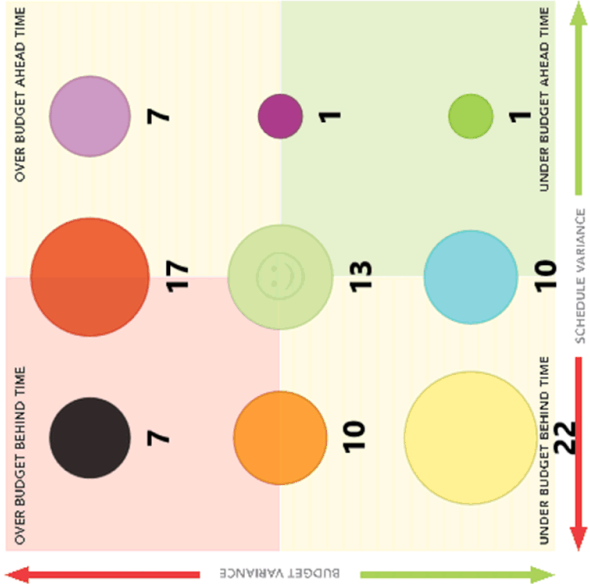
Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Not Started	50	38	25	19	17	18
On Budget Ahead of Schedule	3	2	2	2	1	1
On Budget Behind Schedule	4	4	8	12	11	14
On Track	54	39	54	26	20	10
Over Budget Ahead of Schedule		1		1	3	4
Over Budget Behind Schedule	2	2	2	5	7	12
Over Budget On Schedule	17	22	14	14	12	11
Under Budget Behind Schedule	1	1	2	17	36	50
Under Budget On Schedule	3	27	28	39	28	17
Total	134	134	135	135	135	137

Capital Renewal Work Summary for DECEMBER 2019/20

Financial Period
DECEMBER 2019/20

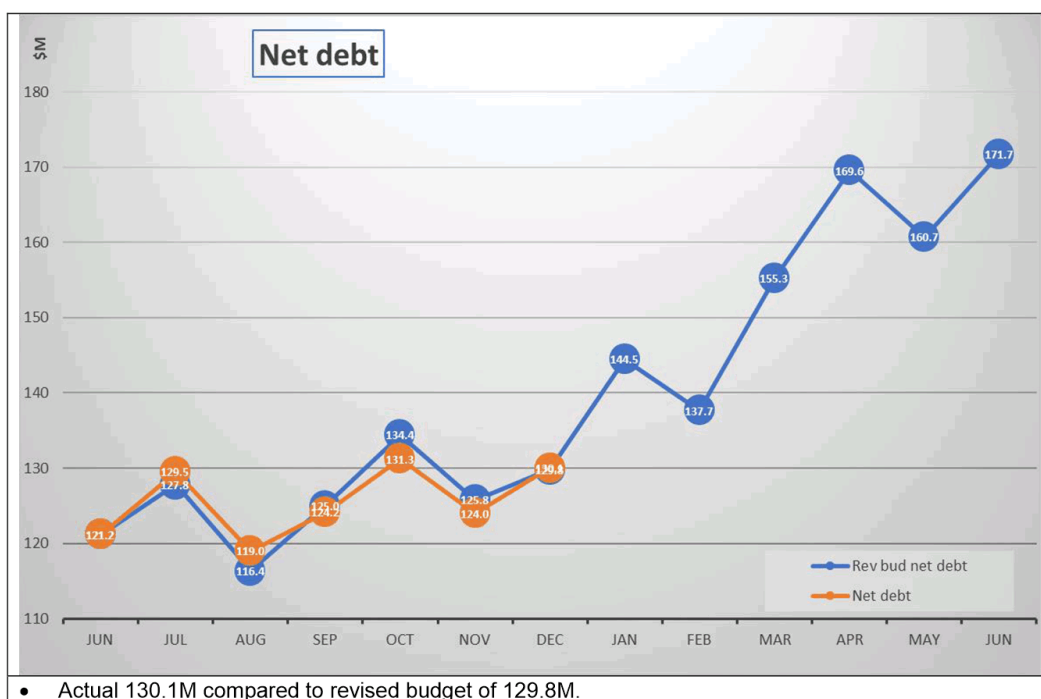
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Capital Work Progress and Budget Summary



Description	Programme Count	Budget Health	Schedule Health	YTD Actuals	YTD Budget	Variance	Total Budget
Not Started	7			\$0	\$0	\$0	\$385,288
On Budget Ahead of Schedule	1			\$8,000	\$8,000	\$0	\$8,000
On Budget Behind Schedule	10			\$2,377,154	\$2,322,755	(\$54,399)	\$4,425,878
On Track	13			\$4,455,795	\$4,211,778	(\$244,017)	\$7,056,194
Over Budget Ahead of Schedule	7			\$388,090	\$26,790	(\$361,300)	\$529,341
Over Budget Behind Schedule	7			\$551,267	\$332,683	(\$218,584)	\$1,584,015
Over Budget On Schedule	17			\$1,488,949	\$967,905	(\$521,044)	\$3,174,150
Under Budget Ahead of Schedule	1			\$85,018	\$108,889	\$23,871	\$141,780
Under Budget Behind Schedule	22			\$2,503,732	\$4,650,284	\$2,146,552	\$11,703,478
Under Budget On Schedule	10			\$134,345	\$266,547	\$132,202	\$646,344
Total	95			\$12,092,349	\$12,895,631	\$803,282	\$29,654,468

Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Not Started	35	31	19	14	9	7
On Budget Ahead of Schedule	3	4	5	2	1	1
On Budget Behind Schedule	2	2	5	2	6	10
On Track	37	21	39	22	24	13
Over Budget Ahead of Schedule	2	1	1	1	4	7
Over Budget Behind Schedule	2	1	1	1	4	7
Over Budget On Schedule	11	15	13	17	15	17
Under Budget Ahead of Schedule						1
Under Budget Behind Schedule			2	11	12	22
Under Budget On Schedule	7	21	11	20	19	10
Total	94	94	94	94	95	95



Borrowing	2019/20		\$000's		\$000's	
	Year to Date		Variance		Full Year	Full Year
For the period to 31 December 2019	Actual	Budget	\$000's	%	Revised Budget	Annual Budget
Gross debt	130.1	129.8	(0.3)	(0.2%)	171.7	166.8
Cash investments	-	-	-	-	-	-
Net Debt	130.1	129.8	(0.3)	(0.2%)	171.7	166.8

- Weighted average cost of borrowing estimated at 4.5% (budget cost of borrowing 5.2%)

10 Year Plan Catalyst Projects Quarterly Update (as at 31 December 2019)

City Centre Transformation Catalyst Projects			
	What happened in the December Quarter	Alerts (if any)	What's Next
'Streets for People' (City Centre Streetscape Plan and Redesign)	Council approved the tender at the 18 December Council meeting. Tender award letter was issued to Higgins on 20 December.		<p>The Contractor is now preparing all the pre-start documentation with site establishment to occur on 28 January.</p> <p>Stakeholder engagement with the local business has commenced now that the tender has been awarded. This will be ongoing throughout the project; first meeting is on the 15 January.</p> <p>Stage 2 Build Contract complete 30 June. Procurement for design services for Stages 3, 4, 5 and 6 is to commence in February.</p>
Te Manawa 2025 Redevelopment	Workshop was held with Council on 4 December to advise of the Business Case for investment for Te Manawa 2025.		Progress the future of the buildings of Te Manawa and the Library.
Central Library Upgrade	Seismic restraint works continued through the month of December.		Seismic restraint work is now occurring in conjunction with the lighting replacement project. Completion of the seismic work may take longer, with finish date likely to be the end of February.
Central Energy Trust Arena Masterplan and projects	<p>Entrance Plaza, Pits Relocation, and Southern & Western Embankment: Tenders have been received from construction firms for the three projects. A preferred tenderer has been identified and discussion around value engineering and construction options are being investigated.</p> <p>Funding of \$1.078M was granted by Central Energy Trust towards the Pits/ Entrance Plaza projects which is in line with LTP and Annual Plan requirements.</p> <p>Culture and Heritage input: Further stakeholder engagement has occurred. Finalising of what is included in stage 1 of design and construction is being worked through and will be presented to the Steering Group.</p>	<p>Budgets: Refinements are still being made to the design and value engineering options to ensure alignment with LTP budgets.</p> <p>Resource Consent for Embankment: A resource consent will be required for the embankment project as more than 300sqm of excavation is required from the existing embankment. This will follow the same process as that undertaken for the Pits/ Entrance Plaza.</p> <p>Grandstand Funding: Grandstand trust funding sources continue to be explored.</p>	<p>Entrance Plaza, Pits Relocation, and Southern & Western Embankment: With the preferred contractor identified, work will continue to identify options and different ways to do components of the construction to ensure alignment with LTP budgets. Once this has been finalised and approved by the Steering Group, a report will be given to Council on 26 February seeking approval to engage the preferred contractor.</p> <p>Resource Consent for Embankment: A resource consent will be lodged following the formal appointment of the contractor.</p> <p>Culture and Heritage input: Further stakeholder</p>

	<p>Grandstand: The concept design of the Grandstand is still at design freeze stage. A feasibility study is underway for the construction of the Grandstand.</p> <p>Administration/ Commercial Building: The feasibility study is continuing to see if it is viable to consider building an administration/ commercial building for Arena administration, stakeholders and possible other commercial tenants. The feasibility study should be completed by Feb 2020. No design work is being undertaken.</p>		engagement, the final design elements agreed, and the stage 1 projects aligned to the Culture and Heritage Plan aspects will go through the Steering Group for approval and form part of the construction components for the 3 projects.
Heritage Protection Package	Continue to assess applications for grants. There has been an increase in the number of inquiries regarding the fund.	Some new interest in the Old Post Office Building.	Continue to promote the fund.

Manawatu River Network Catalyst Projects			
	What happened in the December Quarter	Alerts (if any)	What's Next
Victoria Esplanade Masterplan and projects	<p>End of Year User Forum held at Train Station with big turnout.</p> <p>Assessment of Park Road options and finalising detail on Bonsai/Lath house upgrade.</p>		Detailed design progressing for bonsai/lath house. 70% design cost review to be undertaken. Resource Consent to be submitted in February.
Manawatu River Shared Pathway (Ashhurst to City)	<p>A topographical survey was undertaken across the full length of the proposed pathway. These results will be available shortly to inform the design.</p> <p>Discussions with landowners are continuing.</p> <p>A site visit was held with a representative of Horizons. They identified the areas of concern regarding flood risk and erosion of the bank.</p>		<p>An engineer's estimate of the costs will be developed. This will aid the negotiations with the landowners.</p> <p>An agreement for registering an easement across the property of one landowner will be completed by the end of February. Discussions with the remaining two will continue.</p> <p>With the confirmation of the pathway alignment and after discussions with Horizons, PNCC will determine the acceptability of risk associated with locating the path along the banks of the river.</p>
Te Apiti Biodiversity and Recreation	Review work on Masterplan ongoing.		Landscape Values Assessment taking place along with review work.
Manawatu River Framework (incl Ahimate Park)	Cultural: Pou for the entranceway and the pole tohanga completed.		Cultural: Currently working finishing Marae Atea Pou. All on track to be completed before the end of the financial year.

	<p>Riverside Cycle activities: Skills area at Ahimate completed and proving to be very popular.</p> <p>Exercise Equipment: Trial of the two new platforms in the Square was a success, the community chose to place this equipment between the two bridges.</p> <p>Lighting Loop (He Ara Kotahi - Fitzherbert Bridge): Lighting trial was a success and identified a preferred type of linear LED lighting.</p> <p>Urban Eels: Prepared site fencing and tree removal ready for stream diversion.</p> <p>Albert Street pattern and events hard stand: Path is now completed.</p> <p>Manawatu Golf club land purchase: Council resolved to purchase the land.</p> <p>Victoria Esplanade River Entranceway: detailed plans now complete for construction of entranceway.</p> <p>Turitea Pa site: Obtained resource consent for the build.</p>		<p>Installation ceremony will be organised once all work is completed.</p> <p>Riverside Cycle activities: Currently planning new cycle tracks which are expected to be implemented next financial year.</p> <p>Exercise Equipment: Based on the trial of the exercise platforms in the square, we are making some small adjustments to the existing platforms.</p> <p>Planning for two new platforms is also underway, these will be implemented next financial year.</p> <p>Lighting Loop (He Ara Kotahi - Fitzherbert Bridge): Full trial of linear LED lighting expected to take place. This will look at one more set of theatre styled lighting.</p> <p>Wayfinding signage: Currently peer reviewing some of our concept work. Working to ensure that wayfinding signage aligns to wayfinding identified in the Arena Masterplan.</p> <p>Urban Eels: Build urban eels platform by April.</p> <p>Albert Street pattern and events hard stand: Currently digging out and pouring the glow pattern.</p> <p>Manawatu Golf club land purchase: Drawing up sale and purchase agreement.</p> <p>Victoria Esplanade River Entranceway: Discussions with Horizons and PNCC staff to prepare resource consent application for entrance way ready for next financial year spend.</p> <p>Turitea Pa site Geotechnical assessment being carried out on site to inform detailed construction plans.</p>
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Te Motu o Poutoa	Entranceway land purchase agreed. New Co-Management Committee yet to be established.		Developing sale and purchase agreement for entrance way land. Continue to work on establishing Co-Management Committee
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Sustainable Growth Projects Catalyst Projects			
	What happened in the December Quarter	Alerts (if any)	What's Next
Wastewater Treatment Plant Upgrade	Technical workshop to determine constraints associated with potential land-based options. Reports received for: Land Options, Ocean Options, Wetland & Land Passage Options. Project Steering Group meeting held in December. Confirmed additional funding to be sought for technical and marketing budgets.		Review and finalise options reports. Commence peer review of these. Consultation material preparation underway. Stakeholder meetings to commence in February with neighbouring Iwi, local authorities and key stakeholders. Public education campaign on the project commences February 2020. Community consultation to commence in March 2020.
Regional Ringroad, Rail, Airport and multi-modal infrastructure to enable Longburn and NEIZ industrial growth	Business cases progressing on regional freight ringroad. Freight study and traffic model being finalised. PNCC representation at business case workshops. Continuing to work with NZ Transport Agency and KiwiRail on the Freight Hub.	Preferred package of works for the ringroad is due to be determined by NZTA in the first quarter of 2020. Consultation on preferred site for Freight Hub will occur in first quarter of 2020.	Consider options / advocacy for funding the ringroad. Start to prepare for Notice of Requirement for Freight Hub. Preparation of concept plan for Tennent Drive, taking into account multi-modal movements between Tennent Drive, Te Awe Awe Street/Park Ave and Summerhill Drive, by early 2020.
Infrastructure for Residential Growth: Whakarongo, Aokautere, City West Urban Intensification, Ashhurst	Whakarongo: Amending design to stormwater plans in order to allow stage 1 of the subdivision to be submitted. Plan Change B Napier Road notified for further submissions. Finalising Aokautere Structure Plan and supporting information. Awaiting decision on Plan Change C Kikiwhenua.	Council's Stormwater team is working with Horizons to obtain a global consent for stormwater for the entire Whakarongo growth area. This approach takes longer, but will avoid a piecemeal approach to dealing with stormwater and get a better overall result.	Plan Change B Napier Road. Prepare for hearing mid-2020 Finalise Aokautere Structure Plan and District Plan Change. Respond to decision on Plan Change C Kikiwhenua. Progress Plan Change for Kakatangiata. Finalise Roxburgh Crescent Rezoning mid-2020.

	Initiated Plan Change work for Kakatangiata. Progressing Roxburgh Crescent Rezoning.	We will submit consent for stage 1 part of Council development in February.	
City-wide Stormwater Management	Progressing Aokautere erosion threshold assessment, draft stormwater strategy report expected to complete by mid-February 2020. Whakarongo attenuation pond, draft concept report is completed. Discussions with Horizons scheduled for early February 2020, to lodge a global discharge resource consent for Whakarongo and Napier Road Lagoon in March 2020. Stormwater Management Framework draft document has been submitted, review in progress.		Finalise the stormwater management plan for Aokautere by end of February 2020. Initiate detailed design for the Whakarongo attenuation pond and work on assessment of effects (AEE) report to support the consent application. Consultant to respond to the review comments and plan for the final workshop.
City-wide Water Supply, Source and Storage Development	Report to Council recommending the award of tender for the Turitea Duplicate Water Main project was presented to Council in December. Council approved the award, subject to agreement on conditions of contract. Final control work completed at Papaioea Park so that the bore is ready for commissioning. Engagement with private landowner on land acquisition for the Keith Street bore reservoir is on-going. Ashhurst rising main construction reached around 50% completion. Design of Railway Road bore pumping and treatment works completed.		Start of physical works for the Duplicate Trunk Main following confirmation of contingency arrangements for maintaining access to the water treatment plant. Commission the Papaioea Park bore following issuing of Horizons consent in February. Continue with the construction of the Ashhurst rising main and in particular the crossing of the Ashhurst Stream and railway line. Complete Railway Road bore pipework in April. Tender the pumping and treatment installations.

Major Internal Projects			
	What happened in the December Quarter	Alerts (if any)	What's Next
Digital Transformation	The Transformation Board endorsed the Digital Transformation Roadmap: a 5-year roadmap to deliver 6 priority outcomes aligned to the LTP and Performance Plan. Then engagement within Council in the delivery of the priority outcomes. Work on selecting a supplier to replace Ozone.		Continued engagement on the Digital Transformation Roadmap. Ongoing contract negotiations for the Ozone replacement. Reviewing work of the previous 6 months to look at lessons learned for best way of doing things.

Three Waters Model	<p>We coordinated a presentation from the Department of Internal Affairs to all Councils (on 9/12/19 at Manawatu District) on the latest thinking in Government on the Three Waters Reform.</p> <p>Chief Executives from across the region briefed their respective elected members on the three waters service delivery review work to date.</p> <p>Endorsement was provided from the majority of Council's to proceed to the next phase of work to assess a preferred option for regional collaboration to build a strong alliance to maximise benefits for the region's communities. The exception is Whanganui, who are reviewing their position with a view to taking a step back from this collaborative work. New Plymouth/Taranaki have indicated an interest in joining the next phase of work.</p>		<p>Report to the Minister of Local Government and Department of Internal Affairs on the position of the Manawatu-Whanganui region.</p> <p>Finalise inclusion of New Plymouth/Taranaki in a broader alliance approach, and the next phase of work.</p> <p>Apply to Department of Internal Affairs for funding towards the three-water service delivery work.</p> <p>Proceed with next phase of work to develop a business case for a regional collaborative service delivery model.</p>
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Quarterly Performance and Financial Report - December 2019

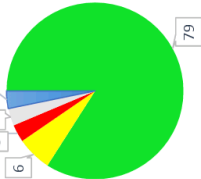
10 Year Plan KPIs

This part of the report looks at how well the Council is delivering on the performance measures, and whether services and projects are being provided within budget

The report is organised by Activities. Each Activity page has "traffic lights" to show progress towards the 10 Year Plan:

	W	G	Y	R	B
Not measured yet					
On track					
Not on track, can get back on track					
Not on track, unlikely to get back on track					
Not able to be measured or completed, due to circumstances outside of Council's control					

Annual Budget Performance Measure Summary



- On track
- Not on track, can get back on track
- Not on track
- Not measured yet
- Not able to be measured or completed, due to circumstances outside of Council's control

Performance Measure Summary by Activity										Total
Goal 1 - An Innovative & Growing City										
City Development										8
Strategic Transport (Roading)										8
Economic Development										2
Goal 2 - Creative & Exciting City										
Active Public Space										6
Arts, Culture and Heritage										5
Active Community										5
Goal 3 - Connected & Safe Community										
Connected Communities										17
Safe Communities										7
Goal 4 - Eco-City										
Rubbish and Recycling										4
Biodiversity and Sustainable Practices										4
Stormwater										7
Wastewater										7
Water Supply										11
Goal 5 - Driven & Enabling Council										
Leadership										3
Total Measures										94
% of measures able to be measured										N/A

Goal 1: An Innovative and Growing City

City Development Activity

Performance Measures (Page 44 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. There is a continual supply of land for at least 1,900 greenfield residential sections.	Work progressing on rezoning land for housing at Kikiwhenua, Kakatangiata, Aokautere, Napier Road, Ashhurst, Roxburgh Crescent and Flyers Line.	G	G		
02. Ratio of lower quartile home price to median household income. (This measures whether a household that is renting can afford to buy a home. It is part of the MBIE set of indicators and will allow comparisons with other Councils. It is a new measure so Council has no target set yet.)	In December 2018 67.5% of Palmerston North renting households were below (ie unaffordable) the 2013 National Affordability Benchmark. This declined from 65.0% in December 2017. (Note: December 2018 is the latest quarter available)	W	W		
03. At least 95% of resource consent applications are processed within statutory timeframes.	Year to date 271 consents have been processed with 185 consents being processed on time (68%). We are continuing to train new staff and with more experience they will become more efficient at processing consents. We are recruiting for another Senior Planner and continue to rely heavily on consultants.	Y	R		
04. At least 95% of building consent applications are processed within statutory timeframes.	Of the 287 building consent applications processed for the quarter, 273 (95%) were processed within the statutory timeframe. Year to date: Of 643 consents processed, 616 (96%) were within the statutory timeframe.	G	G		
05. Council keeps its status as an accredited building consent authority.	PNCC was reconfirmed for attaining accreditation as a Building Consent Authority on 28 August 2019. The next reassessment will be undertaken in approximately April 2021.	G	G		
06. At least three years of housing and business land with services is immediately available.	Completion of Housing and Business Needs Assessment confirmed that land and services are available.	G	G		
07. Council development projects reflect principles of good urban design. (Narrative measure)	Major catalyst projects informed by master plans, e.g. CET Arena, Streets for People, Manawatu River Framework.	G	G		
08. Major services and projects are provided within budget.	On track to provide major services within budget.	G	G		

Strategic Transport (Roading) Activity

Performance Measures (Page 48 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days. (greater than 95%)	Out of the 3050 requests for service received during the first two quarters, 2543 or 83.4% were recorded as having been responded to within the 3 working days time frame. Further work is underway with external contractor and PNCC Activity Managers to develop more relevant categories and realistic response times to improve compliance with this target. Improvements are expected to be in place in Q4 of the current financial year.	Y	R		
02. The average quality of ride on the sealed local road network, measured by smooth travel exposure. (STE greater than 80%)	The quality of ride on the sealed road network is measured every two years. Data from the latest drive over in late 2018, confirms an average of 84% of the network meets or exceeds the target. While the low volume residential portion of the network exceeds the 80% target standard, the arterial and collector road portion of the network is below the 80% standard. On average 95% of rural roads meet or exceed the standard.	G	G		
03. The change in the number of fatal and serious injury crashes from the previous financial year on the city's local road network. (Decline)	There were 36 fatal and serious crashes for the 12 month period ending December 2019. The previous 12 month period had 29 crashes, which is an overall increase of 7 crashes (24%). Although the number of fatal crashes reduced from 6 to 1, the number of serious crashes increased from 23 to 35.	W	B		
04. A decline in the five-year rolling average number of fatal and serious injury accidents.	There were 156 fatal and serious crashes in the 5 year period ending 31 December 2019. The previous 5 year period ending 31 December 2018 had 153 recorded crashes. The increase of 3 crashes (2%) is considered minor. Although the number of fatal crashes reduced from 18 to 13, the number of serious crashes increased from 135 to 143.	G	B		

05. Percentage of sealed roads that are resurfaced each year. (Greater than 3.5%)	This parameter will be confirmed in the July 2020 following completion of the current year's reseals programme. Currently for the 2019/20 financial year, approximately 12 km of the 515 km or 2.4% of the road network are planned to be resealed. The modest length of reseals reflect an optimised and targeted approach to renewals investment, as well as variations in the widths of roads being treated. The target KPI is unlikely to be met in the current year or in the foreseeable future, however this approach is in line with NZTA expectations to prioritise funding based on condition and network priority. The target will be reviewed in the next 10 Year Plan.	W	B	
06. The percentage of footpaths that meet Council standard. (Note: Council is developing an improved system for monitoring footpath standards. It is based on IPWEA (Institute of Public Works Engineering Australasia). Footpath Condition Rating Standard, and will be a much more robust way of measuring and prioritizing footpath maintenance and renewals. The results in the first year of its use will be used to set new targets for subsequent years.)	The footpath condition survey will be repeated in the 2020/2021 financial year in line with the agreed bi-annual cycle. The 2018/2019 survey reported 90.7% of footpaths meet the minimum standard (Condition Grade 1 to 3) while 2% of the footpaths are very poor (Grade 5) and 7.3% are poor (Grade 4). A total of 2100 grade 4 and 5 faults have been assessed and treatment lengths and work solutions confirmed. Six contractors have been engaged through a panel process to complete repairs. For the 6 months to 31 December 2019, 368 or 18% of the grade 4 and 5 faults have been addressed. In addition a further 224 (11%) of the grade 4 and 5 faults have been assigned to contractors, leaving a total of 1508 priority faults still to be programmed or addressed.	W	W	
07. A 30-year Asset Management Plan is in place for strategic transport and roading, and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan] (Renewals as a group: see note in 10 Year Plan pg. 48)	The Roading Asset Management Plan was completed and adopted by Council prior to adoption of the current 2018-28 LTP. Work is progressing on wide range of improvements particularly in condition assessment of critical assets to better inform future programmes of work. The Assets and Planning team has engaged external consultants to assist them prepare the next update of the AMP.	G	G	

08. Strategic Transport (Roading) and Active and Public Transport: Major services and projects provided within budget.	Network maintenance and operations are currently being delivered within budget. The majority of capital projects excluding those dependent on third party approval or external funding are on track to be delivered. Projects which will not now be completed during the financial year include Stages 3 and 4 of Square East and the Bus Terminal associated with the City Centre Streetscape Plan and the Urban Cycleway Programme.	G	G		
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Economic Development Activity

Performance Measures (Page 58 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Funding is distributed and the contract deliverables achieved with the funding will be described. (Narrative measure)	Deliverables in the first 6 months include: Te Apiti - Manawatu Gorge Tourism Potential feasibility study completed; Manawatu Agritech Strategy Launched (Newshub and RuralExchange features on Agritech Strategy published); Manawatu pilot for national NxtStep graduate programme launched (manawatu.nxtstep.co.nz) highlighting career opportunities that exist in Manawatu, including information on the region and access to industry; NZ AgriFood Week 3-Year Strategy completed to transform the event into a major strategic national event; four new Te Aho Tamaka Leaders confirmed; Destination Management Plan framework completed; CEDA CEO appointed to chair NZ IST Employer and Community Engagement Working Group; National Business Review interview with CEDA CEO on regions growth trajectory and projects underway; support to the Cohort selection process for Sprout; support to the Factory's Transformation Awards.	G	G		
02. Major services and projects are provided within budget.	Tracking to budget.	G	G		

Goal 2: Creative and Exciting City

Active Public Space Activity

Performance Measures (Pages 65-66 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Projects from the City Centre Streetscape Plan are implemented on time and budget. (Narrative measure)	Tenders have been awarded for Stage 2 of the Square East portion of the Streets for People project. Work is underway to develop a procurement plan for the remaining sections of the Streets for People programme of work including stages 3 and 4 of Square East. Delays to tender award as a result of contractor negotiations will prevent completion of Square East as planned in the current financial year. Work on the Bus terminal is also delayed to enable Council to complete a business case to apply for NZTA funding as part of the next LTP.	Y	R		
02. Projects from the Manawatū River Framework are implemented on time and budget. (Narrative measure)	Building the Albert Street hard-stand and pattern. Building Urban Eels Platform. Process of design work Victoria Esplanade new river access for next year. Turitea Pa site for consent.	G	G		
03. Description of the range of public space projects and their outcomes. (Narrative measure)	Street Prints Papaioea 2020 festival, Georges of George Street, UCOL street art, Berrymans and Maple Lane enhancements, Movies in the Parks, Pop-up restaurant (Masonic Centre), Koanga Spring Bonfire, Light Party at the Esplanade, Balmy Palmy Piano, Lit Bike Night Ride. These projects have contributed to the emotional attachment our community has with these places through participation in the enhancement and activation of the public spaces.	G	G		

Performance Measures (Pages 65-66 of the 10 Year Plan)		Comments				Sept	Dec	Mar	June
04. Description of the range of community events and initiatives. (Narrative measure)		<p>In the second quarter of the financial year, the first of the supported economic events took place - the 3-day National Young Performer's Awards at The Regent. The competition comprises of alternating art forms; the 2019 categories were last adjudicated in 2017. Ticket sales increased by 20% from 1,028 to 1,234. Estimated Economic Impact (value-added) was \$484,125, an increase of 2% from 2017. The Events and Community teams supported, Diwali, held in October in The Square, the Rural Innovation Muster in November, and the Jenny Mair Highland Day in December. PNCC contracted out events delivered included the annual Fireworks display along the River, Christmas tree lighting and Carols, Christmas Parade, and Christmas in the Square. The Christmas Parade was held earlier this year to avoid clashing with Feilding's Parade, however, it did compete with other events including the Christmas Craft Market at the Barber Hall. Entries of floats were down from 60 in 2018, to 49 in 2019. Similarly, Christmas in the Square reported a downturn in attendance from 2018; it was estimated 8,000 attended (10,000 in 2018). As the organisers have formally declared their intention to step down for 2020 the next steps would be to consult with the community as to what future Christmas celebrations might look like. Palmy Unleashed's workshop to support capability and capacity development was delivered in October. The 2020 New Zealand Military Tattoo has incurred additional promotional costs to leverage the event nationally but conversely, ticket sales are tracking to exceed last year's postponed event. In 2019 the event was postponed 4 week's out and had achieved a total of 3,030 ticket sales. As at 03/01/2020, the 2020 event had sold 2,973 ticket sales.</p>				G	G		
		<p>Event funding 2019/20 has been communicated to the significant economic events partners. The National Young Performers Awards was a funded event delivered during the period.</p>				G	G		
05. Funding for economic events is distributed and the contract deliverables achieved with the funding are described. (Narrative measure)		<p>The major variances are caused by two issues. First issue is timing, some of the grants were paid earlier than we anticipated. Second issue is that cost to running Tattoo is accumulating however the revenue of ticket sales will not be recognised until later.</p>				Y	Y		
06. Major services and projects are provided within budget.									

Arts, Culture & Heritage Activity

Performance Measures (Page 71 of the 10 Year Plan)		Comments		Sept	Dec	Mar	June
01. Funding is distributed and the key objectives achieved with the funding are described. (Narrative measure)			The first round of Creative Communities funding 2019-20 was completed with \$43,000 allocated to 14 local art projects. The Arts Event Fund has been set up and \$20,000 has been allocated to support significant regional art events. We supported a performance by Footnote New Zealand Dance and Diwali digital projection artists. Conservation and maintenance plan developed for Te Peeti Te Awe Awe memorial. Developed artist brief for RNZ Signal Corps commission to commemorate Corps centenary.	G	G		
02. Sites of significance to Rangitāne are identified, protected or acknowledged. (Narrative measure)			Cultural impact assessments completed as part of rezoning proposals to inform District Plan provisions, e.g. Kikiwhenua.	G	G		
03. Increase in the number of scheduled heritage features contained in the District Plan. (Current numbers are 7 Sites of Significance to Tangata Whenua, 89 Buildings & Objects, 2 Heritage Areas, 117 Notable Tree and Groups of Tree, and 15 Habitats of Local Significance).			Potential additions recorded to inform future District Plan Change	W	G		
04. Increase in investment in earthquake-prone heritage buildings. (Narrative measure)			Support offered via the heritage fund. Building Act time frames will drive investment over the next decade.	G	G		
05. Major services and projects are provided within budget.			Major services and projects are on track to be provided within budget.	G	G		

Active Community Activity

Performance Measures (Page 76 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. A 30-year Asset Management Plan is in place for sports facilities and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan.] (Renewals as a group and Central Energy Trust Arena projects.)	Colquhoun Park Sportsground and changing room upgrade complete. Cricket practice net construction underway/Vautier Park court refurbishment completed	G	G		
02. Sports fields are available for weekend organised use. (At least 85%)	Sports fields have experienced no closures this quarter. Fields have been available for weekend use through winter 2019.	G	G		
03. Swimming pool annual usage: Lido - more than 330,000 people/Freyberg - more than 110,000 people	The six month total for Lido is 167,561. The six month total for Freyberg is 94,270. The six month total for Splashhurst is 8,421.	G	G		
04. Funding is distributed (for external recreation organisations to help increase levels of participation in sport and active recreation) and the key objectives achieved with the funding are described. (Narrative measure)	Sport Manawatu receive council funds to assist the community's participation in play, active recreation and sport through various activities, programmes and allocating funds on Council's behalf (the Active Community Fund that targets people on low incomes). A new funding agreement and strategic partnership plan between the Council and Sport Manawatu started on 1 July 2019. Sport Manawatu's six-month report will be presented to the Play, Recreation and Sport Committee in March 2020 along with officer comments. Officers meet regularly with Sport Manawatu staff to discuss strategic and operational activities that are contributing towards these outcomes.	G	G		
05. Major services and projects are provided within budget.	On track to provide major services and projects within budget (with the exception of Programme 1514-Central Energy Trust Arena Manawatu - Commercial Building \$1.5M which will be carried forward to 20/21 pending options to be recommended to Council in Feb 2020)	G	Y		

Goal 3: Connected & Safe Community

Connected Communities Activity

Performance Measures (Pages 93-94 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Library visitor numbers. (More than 800,000 connections a year)	On Track. 252,554 physical visits this quarter to the 7 Library locations. (An increase of 17,133 people over same period last year). 14,760 Manawatū Heritage website sessions. 24,535 PC sessions. 70,413 Wifi sessions. Library website statistics for this period (40,466 vs 118,995 for the same period last year) are reporting lower than expected as website development caused unintended changes to statistical reporting. Work has commenced to rectify the issue.	G	G		
02. Use of physical collections. (Average use per item per year is at least 4)	On Track. Physical item use is holding steady. Items are used an average of 4.78 times per year. For comparison, the national average is 3.42 times per year.	G	G		
03. Use of digital collections. (Narrative measure)	Ebook and eaudiobook use continues to increase as the collections and offerings are grown. (Use has increased 13.4% over same period last year and 17.3% YTD). Use of the digital databases and eResources continues to grow. Continuing the trend from last quarter, there is a steady increase in the use of Ancestry.com and Find My Past, two of the resources the Library provides for Genealogy research.	G	G		

04. Description of the range of programmes and events. (Narrative measure)	Programmes delivered are aligned to the following categories: Creative Expression, Cultural Expression, Digital Inclusion, Heritage, Informational Literacy, Lifelong Learning, Literacy, Social Connectivity, Employment, Health & Wellbeing. Some key programmes with positive outcomes this quarter were: The continued uptake of digital support one on one sessions; Local History Week; the Cuban and PN Camera Club photography exhibitions; and the first part of the ECREAD Summer Reading Programme. The City Library also partnered with various publishers and stakeholders to launch five new books this quarter. Youth Space programmes included the successful completion of the TUJA Leadership programme; an International Student Connect Fireworks event in partnership with IPUNZ and CEDA (Student Experience Working Group); a co-design Youth Justice Hui with Ora Kōnekt; and Café chat in partnership with Young Chamber connecting young people to mentors around leadership and advice around industry careers. Libraries and Welcoming Communities worked together on Diwali which involved 1500+ people and was significant for being the first time it was celebrated across all Indian communities and held outside in The Square for the city to attend. Welcoming Communities highlights also included a series of Red Cross orientation videos developed in partnership with the Manawatu Peoples Radio; and the hosting of two hui for the Global Ambassadors; and the last Welcome session of the year was supported by Rangitāne's Te Ahi Kaea. The final Advisory Group meeting of the year was held to workshop the Welcoming Plan for 2020 and beyond.	G	G		
05. Public toilets are accessible, appropriately located and gender neutral. (Narrative measure)	There is an on-going Annual Programme in place to refurbish and renovate all existing public toilets to be accessible and gender neutral this is underway. All new toilet blocks are always being installed with this in mind.	G	G		
06. A 30-year Asset Management Plan is in place for community centres and hubs and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	Asset Management Plans are in place, but currently being reviewed by the new Assets and Planning Division in the Infrastructure Unit. There is an on-going Annual Programme in place for renewals for Council's community centres and hubs.	G	G		

07. Levels of community centre use. (Narrative measure, including use of at least 1400 hours per centre per year)	The Community Centres are tracking well with most centres set to exceed their minimum Usage hours. Milson's committee has grown this year and are full of ideas. Awapuni is building close ties with the local community and beginning to look outside their walls more often. Kelvin Grove has a clear understanding of their entire suburb and are keen to support their community. An online booking system is being trialed by two centres at present and data is being collected to provide clearer information about centres on the PNCC Website. Other centres are on track although some succession planning and goal setting needs to be reviewed to ensure success. Usage for the Year to date: Ashhurst: 999, Awapuni: 2262, Highbury Whanau Centre: 1371, Kelvin Grove: 897, PN Community Leisure Centre: 1578.75, Milson: 770.25, Pacifika/Westbrook: Approx 800, Rangiora: 678.	G	G		
08. A 30-year Asset Management Plan is in place for the cemeteries and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	Beam & Ashwall construction projects are on track	G	G		
09. Cemetery provision meets legislative requirements.	All provisions are met accordance with the Burial Act and all resource consents compliance requirements are also met.	G	G		
10. Council housing is tenanted. (At least 95%, excluding units not available due to renovations)	An average of 98% Occupancy	G	G		
11. Council tenants are satisfied with the standard of housing (two-yearly survey). (At least 90%)	Tenant satisfaction survey results show 96% of our tenants are satisfied with the standard of Council housing.	G	G		
12. Units meet the Otago Medical School He Kainga Oranga Rental Warrant of Fitness Standard.	On track and meeting requirements of the WOF standards.	G	G		
13. A 30-year Asset Management Plan is in place for community housing and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group, see note in 10 Year Plan, pg 94)	Asset Management Plans are in place, but currently being reviewed by the new Assets and Planning Division in the Infrastructure Unit. There is an on-going Annual Programme in place to refurbish and renovate existing housing complexes. In addition to this Council is also on track to deliver the Papaioea Place Redevelopment.	G	G		

14. Funding is distributed according to Council's Community Funding Policy and the key objectives achieved with the funding are described. (Narrative measure)	Celebrating Communities: We have now distributed \$70,500 leaving \$25,300 remaining in this fund until June 2020. This grant has a core focus on goals 2 and 3. The Strategic Priority Grant Funding is continuing its payment allocations according to the funding agreements. The Community Training fund has spent \$9,700 with \$8,000 remaining until June 2020.	G	G		
15. Positive feedback from residents on Council's community engagement. (Narrative measure)	Surveys of residents show that about 40-45% are satisfied with their opportunities and ease of having a say in Council's decisions and 40% are neutral. Around 15-20% are dissatisfied. In terms of the information they get from Council around 55-60% are satisfied, 30-35% neutral and 10-15% dissatisfied.	G	G		
16. Description of the range of engagement techniques used by Council. (Narrative measure)	Council uses a range of methods- on-line, social media, face-to-face and written – to have a face to face conversation with the community on Council's proposals. Council is broadening the menu of specific consultation techniques available by establishing a Consultation Centre of Excellence. This will focus on Council's formal consultation (ie statutory consultation or where the consultation material is to be approved by Council) and ensure that staff prepare consultation plans based on a sound understanding of the range of possible techniques, along with their advantages and disadvantages.	G	G		
17. Major services and projects are provided within budget.	On track to provide major services within budget.	G	G		

Safe Communities Activity

Performance Measures (Page 101 of the 10 Year Plan)		Comments				Sept	Dec	Mar	June
01. The range of SAB initiatives and the outcomes they achieve. (Narrative measure)		The Safety Advisory Board has met three times this quarter. Activities have included: agreeing a methodology for developing a workplan for 2019-2024, developing a #PalmySafe logo, writing a submission to the Local Alcohol Policy. SAB supported the White Ribbon Whanau Day event in the Square. City Ambassadors have been recruited, trained and have commenced coverage for the summer.				G	G		
02. Palmerston North retains its accreditation as a Safe City.		Achieved.				G	G		
03. Council works with local communities to get people prepared for emergencies. (Narrative measure)		Council has completed a Community Response Plan for Ashhurst. There is an excellent commitment by the Ashhurst Community to participate in the ongoing planning and exercising of the plan. Plans are also well underway for Bunnythorpe Community to do the same, followed by Longburn and Aokautere. 2020 should see the completion of all of these plans.				G	G		
04. Three dog education campaigns and / or community events attended.		Opening and promotion of the "Palmy Pooches" Facebook site to actively promote rehoming of Pound dogs. - Bite prevention session at Housing New Zealand offices on Broadway Ave, Palmerston North - Ongoing high visibility patrols giving education at both He Ara Kotahi Bridge and Walkway and the Ahimate Dog Park, these patrols have been additional to normal day to day tasks. Development of "A dog's guide to Palmerston North".				G	G		
05. Council is an accredited Food Act verifier. (99% of verifications are conducted within statutory timeframes)		100% of all planned verification audits for the quarter were completed within statutory timeframes.				G	G		

06. Description of healthy lifestyle initiatives. (Narrative measure)	<p>Sun Protection Policy (Infrastructure) – Tree planting and shade development is being implemented as per 2018-28 10 Year Plan.</p> <p>Smokefree Outdoors Policy - Council continues to promote a smokefree city through the use of smokefree signage in public places, and working collaboratively with partners through the smokefree reference group who are responsible for promoting the policy. Sugar Sweetened Beverages Policy - actively encouraging food and beverage vendors to make available non-sugary drinks at PNCC events.</p>	G	G		
07. Major services and projects are provided within budget.	Major services and projects on track to be provided within budget	G	G		

Goal 4: Eco-City

Rubbish & Recycling Activity

Performance Measures (Page 108 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Rubbish and recycling placed in Council's official bags or bins are collected on the stated day. (At least 98%)	On track. Our current collection rate is 99.99%	G	G		
02. Compliance with resource consents for the Rubbish and Recycling Activity measures by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero)	No non-compliance notices received	G	G		
03. A 30-year Asset Management Plan is in place for rubbish and recycling and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	The current AMP was adopted by Council in June 2018. The Asset and Planning Team have engaged external consultants to assist with the review and development of the next AMP.	G	G		
04. Major services and projects are provided within budget.	One of the contributors to the overspending is the security cost at Awapuni Landfill. Due to the risk in the area, Council hired a full (night) time security guard which was not originally budgeted for. There are other contributors however of seasonal nature. Therefore it is expected to have this back on track.	G	Y		

Biodiversity and Sustainable Practices Activity

Performance Measures (Page 113 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. 15,000 green corridors trees planted per year. (at least 15,000 on average over three years)	Plants are being grown ready for the next planting season.	G	G		
02. Number and description of sustainable practices campaigns. (Narrative measure)	Work undertaken has included supporting development of an organisation-wide sustainability programme including scoping of resource requirements. Other initiatives including supporting community and Rangitāne led planting and restoration of open drains and streams, developing collateral for water conservation, early planning for cycling promotion, supporting re-purposing surplus PNCC furniture as well as promotion for recycling week to extend PNCC services. There has been some slippage in the programme of work due to the need to refill the role. Recruitment for a new coordinator is underway.	G	Y		
03. Number and description of Eco Design home consultations. (Narrative measure)	This second quarter has seen 27 in-home consultations taking place. In addition, there were ten community/service provider workshop/meetings. There were no media activities undertaken this quarter.	G	G		
04. Major services and projects provided within budget.	The spending on this Activity is on track after the first 6 months. We are not expecting any deviations from this pattern going forward.	G	G		

Stormwater Activity

Performance Measures (Page 117 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
01. The number of flood events per year resulting in stormwater from Council's stormwater system entering a habitable floor in an urban area. (No more than 5)		There have been no recorded flood events resulting in stormwater entering a habitable floor so far this financial year.	G	G		
02. The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. (No more than 2)		There have been no recorded flood events resulting in stormwater entering a habitable floor so far this financial year.	G	G		
03. Median time to attend a flooding event. (Less than 2 hours) (Note: A flooding event is one resulting in stormwater entering a habitable building.)		There have been no recorded events with the potential for stormwater entry to habitable floor so far this financial year. However, it should be noted that it is no longer Council practice to respond to stormwater events where there is a possibility of property damage unless there is a clear public safety or public health risk.	G	G		
04. The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected. (No more than 15)		To date a total of 210 complaints have been received for the year or 6.3 complaints per 1000 properties connected. The complaints to date include 27 related to sump/grate problems, 45 associated with damage to underground pipe services, 22 cases of property flooding or drainage problems, 107 cases related to roadside ponding and 9 complaints related to waterway or open drain problems.	G	G		
05. Compliance with resource consents for discharge from Council's stormwater system measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero)in relation to stormwater resource consents		All Stormwater consents have been fully complied with such that no convictions, abatement, infringement or enforcement orders have been received.	G	G		

Performance Measures (Page 117 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
06. A 30-year Asset Management Plan is in place for stormwater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group. City-wide Stormwater Improvement Works (programme 1060))		An Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. The Assets and Planning team have begun the process of updating the AMP for the next LTP and have engaged external consultants to support the Infrastructure team to complete this work.	G	G		
07. Major services and projects are provided within budget.		Operational services are on track to be delivered although costs are slightly ahead of the allocated budget at the end of Q2. All capital projects are tracking ahead of projected budget and will be completed within budget and well ahead of programme in Q3 of the financial year.	G	G		

Wastewater Activity

Performance Measures (Page 123 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year. (No more than 1)	There were three recorded incidents of a dry weather wastewater overflow in the second quarter (YTD), which is equivalent to 0.121 overflows per 1000 connections.	G	G		
02. Complaints per 1,000 connections about:- Wastewater odour (No more than 1)- Wastewater system faults (No more than 3)- Wastewater system blockages (No more than 10)- Council's response to issues with the wastewater system. (No more than 1). (total target: no more than 15)	A total of 217 complaints have been received for the year to date, or an average of 6.56 complaints per 1000 connections. Of this total 118 complaints (54%) were attributable to service issues and resulted in a work order being issued and work being undertaken. Complaints included 5 for wastewater odour (0.15 per 1000 connections), 57 manhole faults (1.72 per 1000 connections) and 145 related to network blocks or leaks (4.3 per 1000 connections). Complaints attributable to the performance of Council assets and systems are tracking at around 54% of the total and well below the target.	G	G		
03. Median time for attending to overflows resulting from blockages or other faults. (Less than 1.5 hours)	Median time for attending to an overflow resulting from a blockage is 0.525 hours. Maximum time for attending to an overflow resulting from a blockage is 79.5 hours.	G	G		
04. Median time for resolution of overflows resulting from blockages or other faults. (Less than 8 hours) (Attendance and resolution is less than 9.5 in total)	The median time for resolution of an overflow resulting from blockages or other faults is 3.315 hours. The maximum time for resolution of overflows resulting from blockages or other faults 517.77 hours.	G	G		
05. Compliance with resource consents for discharge from Council's wastewater system as measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement notices (zero)- Convictions received by Council in relation to resource consents (zero)	All wastewater consents have been fully complied with such that no convictions, abatement, infringement or enforcement orders have been received in the last quarter.	G	G		
06. A 30-year Asset Management Plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	A 30 year Asset Management Plan was adopted by Council in June 2018 ahead of approval of the 2018-28 LTP. Assets and Planning Division of Infrastructure have started the process of updating the AMPS ahead of the next LTP. They have engaged external consultants to support staff to complete this work.	G	G		

07. Major services and projects are provided within budget.	Operational services are on track to be delivered with expenditure tracking slightly above budget at the end of Q2. Network capital projects are on track to be delivered on time within budget. Capital renewal projects at the Wastewater Treatment Plant have been delayed by technical challenges and budget shortfalls, requiring deferral of the remainder of the programmes to upgrade the screens and grit removal systems until the 20/21 FY.	G	Y		
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Water Supply Activity

Performance Measures (Pages 130-131 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	All monitoring data received to date indicates full compliance with bacterial compliance criteria included the Drinking Water Standards of New Zealand. Formal confirmation of compliance for the 2019/20 year will not be received until August 2020.	G	G		
02. Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	All monitoring data received to date indicates full compliance with protozoal compliance criteria including the Drinking Water Standards of New Zealand. Formal confirmation of compliance for the 2019/20 year will not be received until August 2020.	G	G		
03. The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and Council's response to any of these issues (no more than 40).	Total of 729 complaints received for the year or 21.26 complaints per 1000 connections (YTD to September 30th). These included 37 mains bursts, 13 low pressure issues, 32 issues associated with continuity of supply, 34 for meter faults, 326 toby faults, 3 for bad smell, 105 for discoloured water, 4 water taste issues, and 176 general enquiries seeking information or a change in level of service which cannot be acted upon.	G	Y		
04. Average consumption of drinking water per day per resident. (no more than 360 litres per person per day)	Average consumption of drinking water per day per resident is at 207.3L, well below 360 litre target. The next estimation will be done at the end of the financial year.	G	G		
05. Median response time for urgent call-out attendance. (2 hours or less)	The median response time for the 11 of the 32 urgent call-outs for which response time is recorded is 0.23 hours. The maximum response time is 10.25 hours. Activity staff will be working with operations staff to clarify data recording requirements and improve percentage completion the required fields. Improvements should be in place by start of Q3.	G	G		

Performance Measures (Pages 130-131 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
06. Median response time for resolution of urgent call-outs. (7 hours or less)	The median resolution time for the 24 of the 32 urgent call-outs for which resolution is recorded is 50 minutes. The maximum resolution time for the call outs is 68.85 hours. Activity staff will be working with operations staff to clarify data recording requirements and improve percentage completion the required fields. Improvements should be in place by start of Q3.	G	G		
07. Median response time for non-urgent call-out attendance. (10 hours or less)	The median response time for the 438 of the 736 non-urgent call-outs for which response is recorded is at 1.81 hours. The maximum response time is 283.17 hours. Activity staff will be working with operations staff to clarify data recording requirements and improve percentage completion the required fields. Improvements should be in place by start of Q3.	G	G		
08. Median response time for resolution of non-urgent call-outs. (75 hours or less)	The median resolution time for the 631 of the 736 non-urgent call-outs for which resolution time is recorded is 3.87 hours. The maximum resolution time is 480 hours. Activity staff will be working with operations staff to clarify data recording requirements and improve percentage completion the required fields. Improvements should be in place by start of Q3.	G	G		
09. Percentage of real water loss from the water reticulation network. (Less than 20%)	The assessment of water losses from the water reticulation network is completed annually during the 4th quarter.	W	W		
10. A 30-year Asset Management Plan is in place for water and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	An Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. Assets and Planning Division of Infrastructure have started the process of updating the AMP ahead of the 2021-2031 LTP. They have engaged external consultants to support staff to complete this work.	G	G		
11. Major services and projects are provided within budget.	Operational services on track to be delivered although expenditure is slightly ahead of budget at the end of Q2. All capital projects not dependent on third party decisions or agreement or external funding are on track to be delivered on time within budget.	G	G		

Goal 5: Driven & Enabling Council

Leadership Activity

Performance Measures (Page 138 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
01. Positive feedback from residents on Council's community engagement. (Narrative measure)		Surveys of residents show that about 40-45% are satisfied with their opportunities and ease of having a say in Council's decisions and 40% are neutral. Around 15-20% are dissatisfied. In terms of the information they get from Council around 55-60% are satisfied, 30-35% neutral and 10-15% dissatisfied.	G	G		
02. Description of the range of engagement techniques used by Council. (Narrative measure)		Council uses a range of methods- on-line, social media, face-to-face and written – to have a face to face conversation with the community on Council's proposals. Council is broadening the menu of specific consultation techniques available by establishing a Consultation Centre of Excellence. This will focus on Council's formal consultation (ie statutory consultation or where the consultation material is to be approved by Council) and ensure that staff prepare consultation plans based on a sound understanding of the range of possible techniques, along with their advantages and disadvantaged.	G	G		
03. Strategies, Plans and Policies are in place, monitored and reviewed. (Narrative measure)		The Envisio system is now online and functioning as a monitoring system for measures of success for the goals and strategies. All strategies, plans and policies are in place or being reviewed as planned.	G	G		

Supplementary Material for October 2019 Quarterly Report

1. Groups of activities net result statement
2. Capital expenditure by funding source and Group of Activities
3. Summary of Programmes at risk of delivery
4. Capital expenditure by Programme (Programmes over \$200,000)
5. Capital expenditure by Programme (Programmes under \$200,000)
6. Financial Statements
 - a. Summary of financial performance
 - b. Statement of financial position
 - c. Statement of cash flows
7. Approved variations to Annual Budget
8. Personnel

Attachment 1 – Groups of Activities Net Result Statement

Group of Activities Net Result Statement	2019/20 \$000's					Full Year Annual Budget
	Year to Date		Bud. Var.		Full Year	
For the period to 31 December 2019	Actual	Budget	\$000's	%	Revised Budget	
Operating Result by Group of Activities						
<i>Innovative & Growing City</i>	(2,641)	(2,863)	222	8%	(6,087)	(6,086)
Revenue	3,589	2,747	842	31%	5,378	5,237
Expenses	6,230	5,609	(620)	-11%	11,465	11,324
<i>Creative & Exciting City</i>	(10,337)	(10,082)	(255)	-3%	(19,872)	(19,737)
Revenue	1,627	986	641	65%	2,202	2,202
Expenses	11,964	11,068	(896)	-8%	22,074	21,939
<i>Connected & Safe Community</i>	(6,141)	(6,166)	25	0%	(12,280)	(12,303)
Revenue	2,883	2,854	29	1%	5,169	5,169
Expenses	9,025	9,020	(4)	0%	17,449	17,473
<i>Eco-City</i>	(2,422)	(2,320)	(102)	-4%	(4,820)	(4,820)
Revenue	1,464	1,344	120	9%	2,748	2,748
Expenses	3,885	3,664	(222)	-6%	7,567	7,567
<i>Transport</i>	(2,595)	(3,540)	946	27%	(7,630)	(7,630)
Revenue	3,701	3,550	151	4%	7,583	7,583
Expenses	6,296	7,090	795	11%	15,213	15,213
<i>Water</i>	(2,261)	(2,187)	(74)	-3%	(4,367)	(4,367)
Revenue	30	18	12	64%	36	36
Expenses	2,290	2,205	(85)	-4%	4,403	4,403
<i>Wastewater</i>	(2,686)	(2,361)	(325)	-14%	(5,038)	(5,038)
Revenue	643	602	41	7%	1,298	1,298
Expenses	3,329	2,963	(366)	-12%	6,336	6,336
<i>Stormwater</i>	(1,132)	(1,055)	(77)	-7%	(2,119)	(2,119)
Revenue	3	1	1	132%	2	2
Expenses	1,135	1,056	(79)	-7%	2,121	2,121
<i>Driven & Enabling Council</i>	(2,772)	(2,702)	(70)	-3%	(7,571)	(7,396)
Revenue	3,242	2,573	669	26%	4,702	4,702
Expenses	6,014	5,275	(739)	-14%	12,272	12,097
Group of Activities Controllable Surplus/ (Deficit)	(32,985)	(33,276)	290	1%	(69,782)	(69,495)
Rates	49,519	49,502	17	0%	98,893	98,855
Net Interest	(2,819)	(3,489)	669	19%	(7,609)	(7,599)
Operating Controllable Surplus / (Deficit)	13,714	12,738	977	8%	21,501	21,761
Depreciation	(18,275)	(17,810)	(465)	-3%	(35,619)	(35,619)
Non-operating revenue	6,112	5,135	977	19%	11,298	11,298
Non-operating expenses	1,172	0	1,172	-100%	3,995	3,995
Net Result	2,724	64	2,660	4181%	1,175	1,435

Budget variance explanations (net \$200k or more)

- Innovative and growing city is favourable due to increased activity in building and resource consents increasing the revenue, mostly offset by additional expenses.
- Creative & exciting city is unfavourable mainly due to CET arena repairs (mostly offset by insurance revenue), and unbudgeted Military Tattoo expenses and Arena, to be offset by unbudgeted revenue related to it at the time of the event.
- Transport is favourable due to increased revenue from NZTA operating subsidies and parking meters, and lower remuneration and expenses due to vacancies.
- Wastewater is unfavourable due to chemical usage and electricity usage being higher, likely to improve by year-end.

Attachment 2 – Capital expenditure by funding source and Group of Activities

Capital Expenditure For the period to 31 December 2019	2019/20		\$000's		Full Year Revised Budget	Full Year Annual Budget
	YTD Actual	Budget	Variance \$000's	%		
Capital New	11,106	14,128	(3,021)	(21.4%)	57,675	53,516
Funded by:						
Borrowing	7,311	11,957	(4,646)	(38.9%)	50,991	46,833
External revenue	3,795	2,170	1,625	74.9%	6,684	6,684
Capital Renewal	12,096	12,896	(800)	(6.2%)	29,654	28,297
Funded by:						
Rates	11,684	10,930	754	6.9%	22,104	22,104
External revenue	411	1,965	(1,554)	(79.1%)	2,614	2,614
Three year averaging					3,579	3,579
Borrowing					1,357	-
TOTAL CAPITAL	23,202	27,023	(3,821)		87,329	81,813
Note for year to date renewal capital expenditure all is shown as funded by rates. Part will be funded by rates in other years (3 year averaging) and part by debt (carry forward from 2018/19 already rate funded, additional approvals). It is not meaningful to assign the budget amount for these to the year to date expenditure.						

Group of Activities - Capital Expenditure For the period to 31 December 2019	2019/20		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Variance \$000's	%		
Capital New	11,106	14,128	(3,021)	(21.4%)	57,675	53,516
Innovative & Growing City	73	54	19	35.7%	54	54
Creative & Exciting City	2,831	3,161	(330)	(10.4%)	14,803	13,869
Connected & Safe Community	2,969	3,287	(318)	(9.7%)	8,305	8,329
Eco-City	167	137	30	22.1%	593	599
Transport	3,069	3,913	(844)	(21.6%)	19,282	17,163
Water	1,163	2,085	(923)	(44.2%)	7,883	7,277
Wastewater	376	1,011	(635)	(62.8%)	4,695	4,159
Stormwater	409	361	48	13.4%	1,320	1,371
Driven & Enabling Council	48	118	(70)	(59.1%)	737	696
Capital Renewal	12,096	12,896	(800)	(6.2%)	29,654	28,297
Innovative & Growing City	260	250	10	4.0%	267	262
Creative & Exciting City	3,134	3,167	(33)	(1.0%)	7,420	7,430
Connected & Safe Community	826	822	4	0.5%	2,577	2,206
Eco-City	374	358	16	4.3%	509	498
Transport	1,496	2,431	(935)	(38.5%)	5,919	5,751
Water	2,181	2,517	(336)	(13.4%)	4,406	4,406
Wastewater	1,496	1,470	26	1.7%	3,781	3,079
Stormwater	382	417	(35)	(8.4%)	677	677
Driven & Enabling Council	1,947	1,463	484	33.1%	4,100	3,990

Attachment 3 - Summary of Programmes at Risk of Delivery – 2019/20

Programme	\$000 Budget	Comment
197-Urban Growth - North East Industrial Park Stormwater (1602-C/fwd - Urban Growth - North East)	276	Waiting on greater certainty around private property owner development before investing in new water, stormwater and wastewater systems so it can be robustly designed and implemented.
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area	231	
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems (1285-C/fwd - Urban Growth - Whakarongo)	437	
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone (1286-C/fwd - Urban Growth - Installation)	411	
1055-Urban Growth - City West - Installation of Wastewater Systems (1597-C/fwd - Urban Growth - City West -)	50	
1170-Urban Growth - City West - Installation of Water Supply	100	
1089-Industrial Growth - NEIZ - Richardsons Line Upgrade (1603-C/fwd - Industrial Growth - NEIZ)	1,199	Waiting on greater certainty around private property owner investment and decision on KiwiRail integrated transport hub before detailed design and implementation of programme works can begin.
1090-Industrial Growth - NEIZ - Roberts/Richardsons Line Intersection Upgrades (1604-C/fwd - Industrial Growth - NEIZ)	456	
708-Urban Growth - Aokautere - Reserves Land Purchase	294	The programme is growth dependent, and growth in this area is not yet firmly under way. It is suggested that this urban growth money be used this year to purchase entranceway land at the base of Te Motu o Poutoa – Council approved this in December.
1007-Urban Growth - Whakarongo - Internal Roads	153	Waiting on private subdivision development to occur before programme can be implemented. Developers will typically build the roads with Council contributing to provision of extra width after vesting.
1357-Urban Growth - Ashhurst - Reserve Land Purchase	375	This project is dependent on a District Plan change. It is unlikely that the plan change will occur in the current financial year.
1391-Urban Growth - City West South of Pioneer Highway - Walkways Development (1598-C/fwd - Urban Growth - City West)	74	The development of these walkway connections is dependent on the race course subdivision development and District Plan change. It is unlikely that the plan

		change will occur in the current financial year.
1412-Urban Growth - Ashhurst - Wastewater - North St Network Upgrade	276	The optimum timing of this programme depends on the rate of development in the North Street area.
1413-Bunnythorpe Community Facility (1581-C/fwd - Bunnythorpe Community Facility)	1,005	Commencement of the project is dependant on the community group obtaining the external funding required through fundraising, grants etc.
234 – Programme Bunnythorpe Domain Community Centre	458	The changing rooms are unlikely to be able to proceed without the balance of the building.
1514-Central Energy Trust Arena Manawatu - Cuba Street Building	1,500	Feasibility report to be presented to Council in February 2020 for a decision. Any work completed to date cannot be capitalised.
51 – City Wide Stormwater Subdivision Contributions	11	Provisional budget allocations waiting on specific requests from developers for Council contributions to infrastructure investments based on wider community benefits.
73 – City Wide Wastewater Subdivision Contributions	88	
201 City Wide – Roading Subdivision Contributions	169	
246-City-wide - Water Subdivision Contributions	205	
Total	7,768	

Attachment 4 –Capital expenditure by Programme (programmes over \$200,000)

The following table highlights the current status of the programmes with budgets in excess of \$200,000 with commentary, excluding the at-risk projects highlighted in attachment 3.

Description	
Not Started	
On Budget Ahead of Schedule	
On Budget Behind Schedule	
On Track	
Over Budget Behind Schedule	
Over Budget On Schedule	
Under Budget Behind Schedule	
Under Budget On Schedule	

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
CAPITAL NEW						
Active and Public Transport						
235-Manawatu River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway(1225-C/fwd - Manawatu River (Ashhurst to)	\$22	\$57	\$35	\$656		Design work continuing. Construction is underway on the shared footpath from Pacific Drive to Johnston Drive.
636-Aokautere Drive Pedestrian Cycle Improvements	\$20	\$17	(\$3)	\$331		Design complete and support given by NZTA. Pricing document complete. Procurement method of using the Asphalt Panel Contractors has been approved.
732-Summerhill Drive - Pedestrian and Cycle Improvements	\$18	\$19	\$1	\$272		Briefing paper to Council is now being prepared for February. This is to seek approval to consult with the community on the two options proposed.
1349-Dittmer Drive Shared Path Permanent Surface - New Bridge to Buick Crescent	\$183	\$260	\$77	\$736		Work well underway.
1358-Footpath extensions city wide(1605-C/fwd - Footpath extensions city wi)	\$81	\$91	\$9	\$545		Designs complete and awaiting construction start date for Racecourse Road, Ngarie St (Longburn) and Salisbury St. Detailed design underway with NZTA support for Pacific Drive to Johnson Drive.
1559-Urban Cycle Network Development	-	\$18	\$18	\$1,465		Council approved scope of works for indented parking in College St. Awaiting costs from consultant to provide engineering services.

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
Active Community						
93-City Reserves - Memorial Park Reserve Development Plan Implementation(1583-C/fwd - City Reserves - Memorial Pa)	\$10	-	(\$10)	\$803		Awaiting 3rd party funding. Playground requirements have been purchased and will be installed in winter so as not to disrupt the busy summer season.
94-Walkways and Shared Path - Purchase of Land to Extend Network(1584-C/fwd - Walkways and Shared Path -)	\$130	\$119	(\$11)	\$515		Polson Hill purchase awaiting development. Investigation of other purchases for walkways underway.
560-Cultural/Heritage Reserves - Te Motu o Poutoa / Anzac Park Reserve Development(925-C/fwd - Cultural/Heritage Reserves -)	-	-	-	\$332		This has been indicated as a carry forward to the 20/21 year.
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve Development	\$144	\$186	\$42	\$281		Plane purchased and at Fieldair awaiting confirmation of position in park from the Airport. Work about to begin of next stage of paths. Carpark upgrade design completed and out for pricing.
752-City Reserves - Manawatu River - Framework Implementation	\$246	\$270	\$24	\$410		Currently 3 weeks behind schedule as we are waiting for stream levels to drop so construction can start on Urban Eels. Pattern for path on Albert St will begin in December.
1082-Central Energy Trust Arena Manawatu - Speedway Relocation & Artificial Pitch(1502-C/fwd - Central Energy Trust Arena)	\$635	\$838	\$203	\$3,384		Tenders received and have been evaluated. Have entered into negotiations with preferred tenderer mid-January. Report to go to Council in March to approve tender.
1083-Central Energy Trust Arena Manawatu - Entrance Plaza(1599-C/fwd - Central Energy Trust Arena)	\$227	\$289	\$62	\$2,263		Tenders received and have been evaluated. Have entered into negotiations with preferred tenderer mid-January. Report to go to Council in March to approve tender.
1534-Central Energy Trust Arena Manawatu - Embankment Redevelopment	\$437	\$234	(\$203)	\$1,694		Tenders received and have been evaluated. Have entered into negotiations with preferred tenderer mid-January. Report to go to Council in March to approve tender.
Active Public Space						
1131-City Boundary Entrance Treatments	\$290	\$290	\$0	\$290		Physical works completed.
1473-City Centre Lighting and Projection Demonstration Project	\$2	\$65	\$63	\$204		Project is dependent on \$100k of funding from fundraising activities, this is therefore limiting project scope until these funds are secure.
Arts, Culture and Heritage						
902-Property - Seismic Strengthening of Council Owned Buildings(1016-C/fwd - Seismic Strengthening of Co)	\$37	\$47	\$9	\$595		Consultant engaged to peer review designs and recommendation expected 15 February
Commercial or Strategic Investments						
99-Council's Service Development - New Technology and Programmes	\$56	\$88	\$33	\$295		On track.

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
Connected Communities						
161-Public Toilets - Citywide programme(1585-C/fwd - Public Toilets - Citywide p)	\$360	\$352	(\$7)	\$431		He Ara Kotahi completed and open. Colquhoun Park Toilet wrapped into the pavilion upgrade. Linton, toilet purchased and consent lodged.
357-Social Housing - Papaioea Place Redevelopment	\$1,744	\$1,896	\$152	\$3,386		Progressing well and due for completion in March.
1219-Social Housing - Papaioea Stage 2	\$63	\$170	\$106	\$2,553		Demolition delayed as gas connections to private homes were discovered in demolition area. Rectified and demolition due to commence straight away. . .
Corporate Support						
1185-Non-Financial Reporting System(1335-C/fwd - Non-Financial Reporting Sys)	-	-	-	\$205		On track.
Roading						
243-City Centre Streetscape Plan - Main Street East (Bus Terminal & Canopies)	\$3	\$11	\$8	\$759		Ongoing discussions and coordination being held with Horizons Regional Council (HRC). HRC are working through the service review for the bus service and this will determine the requirements for the bus terminal; number of buses etc. NZTA have indicated that they are open to contribute to the funding the terminal upgrade, however not in the current funding period. Business Case for the terminal is to be developed to align with the new NZTA Long Term Plan in 2021.
244-City Centre Streetscape Plan - Square East (Plaza to ANZ)(900-C/fwd - The Square East Side - Street)	\$642	\$534	(\$109)	\$4,180		Tender was accepted and awarded December. Work to commence ASAP with road to be closed both ways to achieve the quickest outcome.
279-City-wide - Minor Road Safety Improvements	\$167	\$228	\$61	\$879		A number of projects have had designs completed and affected parties are being consulted prior to work commencing. Wairangi/ Taonui intersection complete.
829-City-wide - Undergrounding of Power and Telecom Cables(713-C/fwd - City-wide - Undergrounding o)	\$20	\$92	\$72	\$244		Dependant on external contractors works happening (eg Powerco, Chorus).
1121-Massey and Research Institutes Development (Food HQ) (subject to part external funding)(1596-C/fwd - Massey and Research Institu)	\$234	\$276	\$42	\$400		Work along Dairy Farm Road complete, more work expected in the New Year.
1183-Stoney Creek Road (School) Safety Upgrade	\$242	\$636	\$394	\$1,694		Contract awarded and work commenced. Indicative completion date May 2020.
1362-Roberts/Railway Road North Intersection Safety Realignment(1595-C/fwd - Roberts/Railway Road North)	\$4	\$11	\$6	\$329		Design work recommenced. Unlikely to have sufficient budget to cover all construction costs in 19/20 year.
1367-Street Light Infill Improvements	\$352	\$283	(\$70)	\$865		Some work has commenced and others still awaiting pricing. Once pricing is confirmed will determine progress on this for remainder of year.
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street	\$18	\$39	\$21	\$650		Sewer and mains replacement has commenced and due to be completed late March. Consultation ongoing with business owners on upgrade to Cuba Street.

Activity-Programme Name	YTD Actuals (\$'000)	YTD Budget (\$'000)	Variance (\$'000)	Total Budget (\$'000)	Status	Comments
1488-Seal extension Rural Unsealed Road	\$421	\$169	(\$252)	\$511		Physical works completed on the 4 identified roads (Clevely Line, The Ngaio Road, Koehlers Road, Orrs Road) in December.
1578-Monrad Pencarrow Roundabout installation	\$34	\$39	\$5	\$650		New project manager is assigned. Land purchase expected to complete in early of Feb 2020. Seeking confirmation of property fence modification from property owners. Seeking quotations for power works contractor. Preparation of main contract tender documents and drawings is in progress.
1623-College Street Upgrade Parking Mitigation	-	-	-	\$480		Council approved scope of works for indented parking in College St. Awaiting costs from contractor to provide engineering services.
Safe Communities						
1513-New emergency operations centre (EOC) Fit Out(1580-C/fwd - New emergency operations ce)	\$754	\$815	\$60	\$814		Occupying new building in December.
Stormwater						
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems(1284-C/fwd - Urban Growth - Whakarongo -)	\$37	\$40	\$3	\$468		Identified to Council as a programme at risk - developer dependant
1060-City-wide - Stormwater Improvement Works	\$333	\$301	(\$32)	\$525		A number of design works are underway.
Wastewater						
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems	\$85	\$524	\$440	\$524		Identified to Council as a programme at risk - developer dependant
1043-Totara Road Wastewater Treatment Plant - Inlet Main Duplication	\$8	\$25	\$17	\$1,300		Detailed design complete by contractor, decision to tender construction awaiting capacity modelling review by external consultant. Project may be held with the budget dissolved to other WWTP programs.
1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities	\$257	\$86	(\$171)	\$326		Installation of the food waste machinery is ongoing. A Process Identification Report has been produced and we are currently waiting for a costing of the components to be provided, it is expected we will hear from them in February.
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	\$10	\$93	\$83	\$1,287		Stage Two detailed assessment will continue in Jan 2020, expected to be complete Jul 2020.
1579-WWTP - Health and Safety Upgrades	-	\$80	\$80	\$265		Contractor has been engaged to install digester handrails, work to be completed in the next two months.
Water						
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs(1544-C/fwd - Turitea Water Treatment Pla)	\$84	\$395	\$311	\$2,725		Contract for works signed, preparatory works expected to commence late February. Unlikely to be completed this financial year.
651-City-wide - Seismic Strengthening of Water Structures(1289-C/fwd - City-wide - Seismic Strengt)	\$25	\$11	(\$15)	\$553		Consultants have provided detailed design for WTP Building Seismic Strengthening. Tender for Building construction work to be prepared with the building work planned for March 2020 commencement.
985-Kelvin Grove Water Supply Zone - New Bore(1235-C/fwd - Kelvin Grove Water Supply Z)	\$279	\$40	(\$239)	\$605		Design for building construction now complete.

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
1384-Citywide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city(1608-C/fwd - Citywide - New water supply)	\$89	\$280	\$192	\$613		Currently have difficulties with land owner over the site location of the reservoirs. Alternative options are under currently under consideration.
1386-Ashhurst water supply upgrade to address fire fighting shortfalls and cater for growth	\$162	\$266	\$104	\$687		Work due to be completed February 2020
1389-City Wide - Second River Crossing and Emergency Supply(1517-C/fwd - City Wide - Second River Cr)	-	-	-	\$610		Due to commence work February 2020
1570-UV Treatment for Papaioea Park Bore 3(1593-C/fwd - UV Treatment for Papaioea P)	\$216	\$315	\$99	\$315		Bore 1 and Bore 2 are running through the UV units. Electrical works have been completed. Commissioning of Bore 3 will to occur in February.
CAPITAL RENEWAL						
Active and Public Transport						
64-City-wide - Footpath Renewals and Replacements	\$489	\$407	(\$82)	\$1,000		All asphalt & concrete contractors underway and delivering work across the city. Work is progressing well with half of budget spent to date.
Active Community						
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial Park, Ashurst Domain and The Square)	\$78	\$77	(\$1)	\$245		Lath House - Stakeholder engagement stage complete, MSQA and detailed design to be completed January.
173-Citywide - Playground Renewals	\$193	\$211	\$17	\$347		Memorial park to start late December, Gloucester Reserve install February.
266-Sportsfields and Outdoor Courts - Fitzherbert Park - Hockey Turf Refurbishment	\$15	\$22	\$7	\$534		Works progressing on schedule, completion expected March 2020.
596-Aquatics - Lido Pool - Asset Renewals	\$113	\$120	\$7	\$245		Small delay due to contractors missing the window planned for work due to high use of pools.
1051-Central Energy Trust Arena Manawatu - Combined Asset Refurbishment	\$593	\$764	\$171	\$2,497		Exterior Cladding Arena 2 & 3 - going to tender in January. Arena 4 floor replacement - expected completion March 2020. Renewal work has started on various arena turfs
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal(1531-C/fwd - Cultural/Heritage Reserve -)	\$82	\$221	\$138	\$481		Detailed design underway, construction expected to start late February 2020.
Arts, Culture and Heritage						
213-Cultural Facilities - Replacement of Structures, Internal Fit Out and Services	\$18	\$60	\$42	\$331		Square Edge Fire Safety - Detailed design due end February, works planned to commence April. Caccia Birch Carport Renewal - Redesign submitted to heritage society, awaiting on their response.

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
Commercial or Strategic Investments						
63-Council's Plant and Vehicles - Replacements	\$777	\$715	(\$63)	\$1,748		Replacement programme in place for rest of financial year.
Connected Communities						
178-Central Library Replacement of Shelving, Furniture and equipment	\$8	-	(\$8)	\$260		On track to be completed at year-end.
188-City Library Replacement and Purchase of Library Materials	\$420	\$504	\$84	\$800		On track to be completed at year-end.
202-Central Library Interior Design Renewals(1591-C/fwd - Central Library Interior De)	\$34	-	(\$34)	\$266		On track to be completed at year-end.
Corporate Support						
53-Computer Replacement - Rolling Replacements	\$230	\$180	(\$50)	\$485		On track to be completed at year-end.
281-Operational Property -Civic Administration Building - Refurbishments	\$319	\$110	(\$209)	\$1,023		Awaiting completion of architectural drawings to apply for building consent. Expecting to have an Early Engagement Contract with stage III providers throughout February.
Roading						
115-City-wide - Sealed Pavement Renewals	\$337	\$760	\$422	\$1,904		Rewa Street works completed, work in progress on Tremaine Ave, actual works will start in March 2020 on Pioneer Highway.
122-City-wide - Road Drainage Replacements	\$170	\$232	\$62	\$358		Alfred St and Cuba St unlikely to proceed this financial year.
139-City-wide - Sealed Road Resurfacing	\$237	\$658	\$422	\$1,805		Resurfacing work well underway due to better weather.
162-City-wide - Vehicle Crossing Replacements	\$101	\$219	\$118	\$491		Vehicle crossing are included in the footpath packages and works is being completed on these.
Rubbish and Recycling						
649-Recycling - Materials Recovery Facility Renewals(1576-C/fwd - Recycling - Materials Recov)	\$253	\$236	(\$18)	\$346		Baler has arrived at site. Installation works due to commence shortly, expected completion end of February 2020
Stormwater						
1062-City-wide - Stormwater Renewal Works	\$381	\$337	(\$44)	\$605		A couple of minor projects delayed by weather. Remainder on track.
Wastewater						
54-City-wide - Wastewater Pipe Renewal	\$996	\$875	(\$121)	\$1,744		Construction on majority of projects are well underway, Jensen court has been moved out to start in January.
65-City-wide - Wastewater Pump Station Renewal	\$77	\$193	\$117	\$270		Maple and Roy street electrical cabinets due to be installed, Roy street internal pipe designs have not been finalised and is delaying the project. Rest of the programme is on track.

ITEM 7 - ATTACHMENT 3

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status	Comments
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals(1589-C/fwd - Totara Road Wastewater Trea)	\$236	\$252	\$16	\$292		Heat exchanger due to be installed in February/March. Water main replacement should be completed in February. Contractor scheduled to replace actuators in February/March period.
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems(1588-C/fwd - Totara Road Wastewater Trea)	\$43	\$55	\$11	\$316		Detailed investigation due 20 Feb by consultant to determine engineers estimate for re-design.
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	\$36	\$27	(\$9)	\$441		Design has not been approved and will require heavy redesign due to integration issues with pre purchased pumps. Delay is expected.
1351-Eastern Trunk Main - Hokowhitu Campus Renewal	-	\$50	\$50	\$272		Draft drawings received from developer and consultant. PNCC awaiting estimate costing and work schedule to do upgrades on inlet chamber for pump station
1379-Maxwell's Line 825 Wastewater Trunk Main Renewal	-	-	-	\$272		Pipe will not be renewed this year as it needs to be inspected first.
Water						
199-City-wide - Water Bore Headworks and stations Renewal	\$131	\$146	\$14	\$360		Work currently in progress across various renewals
207-Turitea Water Treatment Plant - Equipment and Facility Renewals	\$84	\$136	\$52	\$270		Currently waiting on quotes to replace Actuators on Filter 1-4 valves, should be completed this FY.
218-City-wide - Water Pipe Replacements	\$1,199	\$1,204	\$5	\$2,065		Greenock Place and Hendon Place Watermain Renewal completed December.
663-Ashhurst - Bore to Reservoir Pipe Replacement	\$638	\$861	\$223	\$1,435		Construction work progressing throughout December, expected completion this financial year.

Attachment 5 –Capital expenditure by Programme (programmes under \$200,000)

The following table highlights the current status of the programmes with budgets less than \$200,000, excluding the at-risk projects highlighted in attachment 3.

Description	
Not Started	
On Budget Ahead of Schedule	
On Budget Behind Schedule	
On Track	
Over Budget Ahead of Schedule	
Over Budget Behind Schedule	
Over Budget On Schedule	
Under Budget Ahead of Schedule	
Under Budget Behind Schedule	
Under Budget On Schedule	

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status
CAPITAL NEW					
Active and Public Transport					
57-Manawatu River - Downstream Pedestrian/Cycle Bridge Construction (subject to part external funding)	\$212	\$200	(\$12)	\$200	
114-City-wide - New Cycle Stands and Shelters	\$19	\$17	(\$2)	\$22	
148-City-wide - Bus Stop Improvements	\$49	\$30	(\$19)	\$76	
977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway (subject to part external funding)	-	-	-	-	
1039-Shared Path Connection - Riverside Drive to Railway Road	\$4	\$18	\$13	\$39	
1155-City-wide - Street Seats	\$6	\$3	(\$3)	\$11	
1216-City-wide - Additional Cycle Lanes	-	\$76	\$76	\$104	
1257-City-wide - Cycle Phases at Intersections	-	-	-	\$42	
1352-Napier Road - Roberts Line to BUPA - Footpath link	-	-	-	\$31	
1354-Walkways and Shared Paths - City Loop Wayfinding	-	\$5	\$5	\$33	
1361-Turitea Road - Pedestrian Path/Steps	\$7	\$44	\$37	\$51	
1444-Shared path resilience improvements - Limestone to concrete	\$4	\$153	\$149	\$153	
1492-Wayfinding signage CBD area for key public institutions	-	\$22	\$22	\$36	
Active Community					
95-Walkways and Shared Path - Construction	\$29	\$47	\$18	\$72	
111-Neighbourhood Reserves - Roslyn - Edwards Pit Park Development	\$52	\$31	(\$21)	\$31	
158-Citywide - Safety Improvements to Reserves	\$25	\$26	\$1	\$35	
160-Citywide - Improved Access to Reserves for Persons with Disabilities	-	-	-	\$38	
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	\$9	\$16	\$6	\$39	
196-Caccia Birch - Lagoon Embankment Upgrade	-	\$5	\$5	\$90	
368-Central Energy Trust Wildbase Recovery Centre (subject to part external funding)	\$32	-	(\$32)	\$0	

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status
558-Neighbourhood Reserves - Takaro - Oriana Reserve Development	-	-	-	\$15	
697-Clearview Reserve Development(761-C/fwd - Clearview Reserve Developmen)	-	-	-	\$31	
967-Citywide - Edibles Planting	-	\$3	\$3	\$5	
1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	\$9	-	(\$9)	\$41	
1097-Sportsfields - Drainage to Increased Capacity	\$3	\$1	(\$2)	\$16	
1127-City Reserves - Victoria Esplanade - Bonsai House	\$13	\$13	\$0	\$110	
1133-Sportsfields - Artificial Football Field (subject to part external funding)	-	\$23	\$23	\$82	
1175-Citywide - Shade Trees	-	-	-	\$10	
1182-Citywide - Recreation spaces - Improved Lighting	\$6	\$21	\$15	\$21	
1282-Panieri Park - Purchase of Adjacent Land(1326-C/fwd - Panieri Park - Purchase of)	-	-	-	\$40	
1342-Fitzherbert Park - Cricket Ground Enhancements (subject to part external funding)(1609-C/fwd - Fitzherbert Park - Cricket)	-	\$36	\$36	\$136	
1408-City Reserves - CBD Reserves - Play Development	-	\$5	\$5	\$5	
1411-Sportsfields - Skogland park Irrigation	-	\$61	\$61	\$61	
1439-Culture/Heritage - Urban Eels Project Contribution	\$15	\$6	(\$9)	\$151	
1454-City Reserves - Victoria Esplanade Development Plan	\$5	\$18	\$13	\$71	
1523-Ashhurst Pool Enhancements	\$53	\$37	(\$15)	\$85	
Active Public Space					
1330-Placemaking Co-created Project	\$6	\$9	\$3	\$22	
1476-City Centre Laneways Programme	\$42	\$90	\$48	\$184	
Biodiversity and Sustainable Practices					
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$4	\$10	\$5	\$21	
1451-Council Facilities LED Lighting Upgrades(1582-C/fwd - Council Facilities LED Ligh)	\$44	-	(\$44)	\$121	
Commercial or Strategic Investments					
245-Gordon Kear Forest - Development of Internal Rooding	-	-	-	\$14	
Connected Communities					
107-Cemeteries - Kelvin Grove - Ash Plot developments and Childrens area extension	\$5	\$4	(\$1)	\$46	
133-Cemeteries - Kelvin Grove - New Burial Sections Footpaths and Rooding Extension	-	\$46	\$46	\$46	
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	-	-	-	\$23	
Corporate Support					
60-Information Management Strategic Plan Project - New Software Applications	-	\$30	\$30	\$106	
1187-PNCC Website Customisation	-	-	-	\$42	
Economic Development					
1535-City-Wide - Campervan Dump Stations	\$73	\$54	(\$19)	\$54	
Leadership					
1188-Land Use Monitoring(1594-C/fwd - Land Use Monitoring)	-	-	-	\$75	
Rooding					

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status
163-City-wide - New Street Tree Planting	\$67	\$57	(\$10)	\$90	
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4	\$99	\$87	(\$12)	\$100	
324-Park Road / Cook Street - Intersection Upgrade	\$1	\$41	\$40	\$41	
684-Longburn Rongotea Road/No. 1 Line Intersection - Safety Upgrade	\$3	\$62	\$59	\$102	
719-College Street - Implementation Plan for Transport Upgrade	-	\$6	\$6	\$92	
1086-City-wide - Street Lighting Upgrade to Current LEDs(1274-C/fwd - City Wide - Street Lighting)	\$112	\$113	\$1	\$160	
1615-City Wide - Parking and Traffic Signs and Marking	-	-	-	\$75	
Rubbish and Recycling					
506-City Wide Public Space Rubbish & Recycling Bins	\$21	\$12	(\$9)	\$40	
657-Recycling - City Wide Wheelie Bins and Crates to Additional Properties	\$21	\$33	\$12	\$57	
721-Awapuni Landfill - Landscaping	\$10	-	(\$10)	\$17	
1371-Closed Landfills and Transfer Stations - Site Infrastructure(1600-C/fwd - Closed Landfills and Transf)	\$38	\$48	\$10	\$179	
1373-City Wide Public Recycling Facilities(1601-C/fwd - City Wide Public Recycling)	\$21	\$21	-	\$123	
1410-Recycling - Recycling Bins and Crates to Non Residential Properties	\$7	\$13	\$6	\$34	
Wastewater					
1381-Totara Rd WWTP - Biogas Generator Exhaust Heat Recovery(1606-C/fwd - Totara Rd WWTP - Biogas Gen)	-	-	-	\$193	
1382-Totara Rd WWTP - Emergency Bypass Upgrades	-	-	-	\$151	
Water					
592-Turitea Water Treatment Plant - Sludge Handling and Disposal Improvements	-	\$17	\$17	\$17	
593-Water Safety and Security Mitigation	\$46	\$38	(\$8)	\$51	
1054-Ashhurst Water Treatment to Address the Discoloured Water Issues	\$3	\$14	\$11	\$103	
1057-Turitea Dams - Installation of Dewatering Systems on the Turitea Upper and Lower Dams	-	\$6	\$6	\$46	
1385-Water Telemetry Disaster Resilience Additional Microwave Link	\$197	\$128	(\$69)	\$164	
1388-Citywide Water Conservation Management - New pressure zone and District Meter Area Implementation	\$8	\$24	\$16	\$103	
1607-Water Safety and Security Mitigation	\$68	\$91	\$22	\$140	
CAPITAL RENEWAL					
Active and Public Transport					
181-City-wide - Bus Shelter Upgrades and Replacements	\$31	\$17	(\$14)	\$35	
648-City-wide - Replacement of Deteriorating Cycle Stands	-	\$9	\$9	\$11	
Active Community					
174-Citywide - Replacement of Furniture on Reserves	\$33	\$39	\$6	\$126	
177-Citywide - Replacement of Gardens on Reserves	\$24	\$19	(\$5)	\$32	

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status
184-Walkways and Shared Paths - Refurbishments and Replacements	\$17	\$24	\$7	\$47	
190-Citywide - Replacement of Trees on Reserves	\$20	\$2	(\$17)	\$13	
194-Citywide - Renewal of Bridges on Reserves	\$10	-	(\$10)	\$48	
195-Citywide - Renewal of Hardsurface Areas on Reserves	\$85	\$109	\$24	\$142	
254-City-wide - Sportsfield Carpark and Hardsurface Area Resurfacing	-	\$20	\$20	\$39	
257-Sportsfields and Outdoor courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacements	\$15	\$48	\$33	\$48	
258-Citywide - Refurbishment and Replacement of Boundary Fences on Reserves	\$16	\$23	\$7	\$47	
264-Sportsfields and Outdoor Courts - Memorial Park - Sand Carpet Replacement	\$118	\$5	(\$113)	\$141	
269-Sportsfields and Outdoor Courts - Vautier Park - Synthetic Court Refurbishments (Plexipave)	\$79	-	(\$79)	\$46	
565-City Reserves -The Square - Events Quadrant Resurface and Drainage	\$0	-	(\$0)	\$16	
598-Aquatics - Freyberg Community Pool - Asset Renewals	\$15	\$10	(\$5)	\$20	
819-Central Energy Trust Arena - Replacement of Equipment	\$29	\$24	(\$6)	\$45	
1406-City Reserves - The Square - Te Marae O Hine - Pouwhenua Replacement	\$120	\$100	(\$20)	\$190	
Active Public Space					
1496-Replacement of Street Flags	-	\$23	\$23	\$23	
Arts, Culture and Heritage					
1144-Manawatu Heritage (Archives Digital Repository) Renewal	-	-	-	\$10	
Commercial or Strategic Investments					
80-Council's Plant and Equipment - Replacement	\$136	\$101	(\$35)	\$170	
85-Council's Depot Buildings and Structures	\$45	\$67	\$22	\$67	
Connected Communities					
37-Cemeteries - Terrace End - Site Enhancements	-	-	-	\$9	
180-Social Housing - Citywide - Community Housing Refurbishments	\$115	-	(\$115)	\$163	
186-Public Toilets - Refurbishments and Replacements	\$30	\$30	\$0	\$80	
203-Interior Design of Community Libraries, Youth Space, and Mobile Library	-	-	-	\$33	
265-Citywide - Community Centre Refurbishments	\$9	\$30	\$21	\$155	
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	\$25	-	(\$25)	\$87	
1120-Ashhurst and Te Patikitiki Community Library Renewals	\$4	\$1	(\$3)	\$73	
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	-	\$15	\$15	\$51	
1139-Radio Frequency Identification (RFID) Materials Management	\$8	-	(\$8)	\$102	
1151-City Libraries - Building Security System Renewal(1592-C/fwd - City Libraries - Building S)	\$4	-	(\$4)	\$50	
1291-Library Roof and HVAC Replacement(594-C/fwd - Seismically brace the HVAC p)	\$139	\$168	\$28	\$168	
Corporate Support					
58-Network Additions and Upgrades	\$18	-	(\$18)	\$42	
68-Aerial Photography	-	\$10	\$10	\$85	
86-Council Wide - Furniture Replacements	\$343	\$160	(\$182)	\$160	

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	Total Budget (\$000)	Status
221-Print Synergy - Replacement of Print Synergy Machinery	-	-	-	\$11	
272-Staff Cafeteria - Replacement of Equipment	\$3	\$3	-	\$6	
318-Telecommunications Replacement - Council Buildings	\$46	\$66	\$20	\$102	
755-Replacement of Parking Enforcement Hand Helds and iPhones(1590-C/fwd - Replacement of Parking Enfo)	\$28	\$28	-	\$55	
784-Replacement of Council's Photocopiers/Printers	\$2	\$23	\$20	\$147	
Economic Development					
251-Conference & Function Centre - Replacement of Equipment	\$27	\$26	(\$1)	\$36	
270-Investment Properties - Holiday Park - Renewals	\$178	\$144	(\$34)	\$144	
664-Conference & Function Centre - Renewals	\$10	\$5	(\$5)	\$10	
1166-Conference & Function Centre - Equipment Purchases	\$46	\$75	\$29	\$77	
Roading					
74-City-wide - Street Light Replacements	\$64	\$68	\$4	\$138	
82-City-wide - Off Street Parking Resurfacing, Remarking and Signage Replacement	-	\$1	\$1	\$10	
155-City-wide - Street Tree Replacements	\$61	\$58	(\$3)	\$61	
743-Railway Road - Culvert Renewal	-	-	-	\$55	
1443-City-wide - Road Drainage Replacements (Unsubsidised)	\$5	\$1	(\$4)	\$51	
Rubbish and Recycling					
185-Closed Landfills and Transfer Stations - Site Infrastructure Renewals	\$84	\$85	\$0	\$89	
612-Recycling - City Wide Wheelie Bin and Crate Renewals	\$23	\$30	\$7	\$50	
1368-City Wide Public Space Rubbish & Recycling Bins Renewals	\$5	\$0	(\$5)	\$15	
1374-City Wide Public Recycling Facilities Renewals	\$8	\$8	-	\$8	
Safe Communities					
40-Noise Measuring Equipment for Noise Complaints - Rolling Replacement	-	-	-	\$44	
1269-Bylaw Signage - Replacement	-	-	-	\$6	
1512-CCTV replacements	\$7	\$6	(\$1)	\$31	
Stormwater					
20-City-wide - Stormwater Pump Station Renewals	-	\$80	\$80	\$72	
Wastewater					
1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)(1555-C/fwd - Totara Road Wastewater Trea)	\$35	\$5	(\$30)	\$60	
1067-Totara Road Wastewater Treatment Plant - Replacement of Security Fence and Gate(1587-C/fwd - Totara Road Wastewater Trea)	\$40	-	(\$40)	\$71	
1380-Totara Rd WWTP - Biogas Generator Major Overhauls(1586-C/fwd - Totara Rd WWTP - Biogas Gen)	\$33	\$13	(\$20)	\$43	
Water					
214-City-wide - Water Toby and Meter Replacements	\$129	\$95	(\$34)	\$175	
1063-Turitea Water Treatment Plant - Replacement of SCADA System Hardware and Software	-	\$76	\$76	\$101	

Attachment 6 – Financial Statements

Palmerston North City Council
Summary of Financial Performance
For the period to 31 December 2019

	Year to Date			Full Year	
	Actual	Budget	Actual	Revised	Annual
	\$'000	\$'000	Prior Year \$'000	Budget \$'000	Budget \$'000
OPERATING REVENUE					
Rates revenue	49,519	49,502	47,682	98,893	98,855
Interest and dividends	1,150	558	737	567	567
Other revenue	14,371	12,760	13,266	29,292	29,101
Operating subsidies and grants	1,562	1,365	1,690	3,272	3,322
TOTAL OPERATING REVENUE	66,603	64,186	63,375	132,024	131,844
CAPITAL REVENUE					
Capital subsidies and grants	2,192	3,397	5,460	7,822	7,822
Development contributions	2,265	738	914	1,476	1,476
Vested assets	1,750	1,000	1,032	2,000	2,000
TOTAL CAPITAL REVENUE	6,207	5,135	7,405	11,298	11,298
TOTAL REVENUE	72,810	69,322	70,780	143,322	143,142
EXPENSES					
Employee and elected member remuneration	23,207	23,468	21,624	46,797	46,518
Depreciation and amortisation	18,275	17,810	16,034	35,619	35,619
Interest	2,801	3,497	3,011	7,626	7,616
Professional service costs	5,881	4,679	6,193	10,494	10,381
Other expenses	19,923	19,804	20,712	41,610	41,573
TOTAL EXPENSES	70,086	69,258	67,575	142,147	141,708
NET SURPLUS/(DEFICIT) BEFORE TAX	2,724	64	3,205	1,175	1,435

Palmerston North City Council
Statement of Financial Position
as at 31 December 2019

	2019/20			As at 30 June 2019
	as at 31 December 2019		Full Year	
	Actual \$000s	YTD Rev Budget \$000s	Rev Budget \$000s	
Current Assets				
Cash & Short Term Deposits	3,965	2,671	2,671	2,671
Trade and other receivables	8,918	9,063	9,817	9,845
Inventory	245	348	348	348
Total Current Assets	13,128	12,082	12,835	12,863
Non-Current Assets				
Property, plant and equipment	1,665,405	1,668,996	1,746,200	1,658,782
Inventory-Non-current	5,034	5,766	3,420	4,984
Intangible Assets	1,246	1,337	1,337	1,337
Biological Assets	1,300	1,300	897	1,300
Investment Properties	5,335	5,335	5,335	5,335
Investments & Advance	12,696	12,876	12,876	12,876
Total Non-Current Assets	1,691,015	1,695,609	1,770,066	1,684,614
Total Assets	1,704,143	1,707,691	1,782,901	1,697,477
Current Liabilities				
Trade and other payables	18,464	23,044	21,341	21,341
Provisions	932	1,258	1,258	1,258
Current Employee Entitlements	5,239	5,377	5,528	5,528
Current Portion - Term Liab	10,000	10,000	10,000	10,000
Derivative financial instruments	2,475	2,551	2,551	2,551
Total Current Liabilities	37,110	42,229	40,678	40,678
Non-Current Liabilities				
Provisions	576	665	665	665
Term Employee Entitlements	1,238	1,131	1,131	1,131
Term Liabilities	120,050	119,785	161,741	111,200
Derivative financial instruments	8,334	9,416	9,416	9,416
Total Non-Current Liabilities	130,198	130,997	172,953	122,412
Total Liabilities	167,308	173,226	213,631	163,090
Assets less Liabilities	1,536,835	1,534,465	1,569,270	1,534,387
Public Equity				
Retained earnings	1,052,138	1,049,492	1,050,589	1,049,414
Other reserves	484,697	484,973	518,681	484,973
Total Public Equity	1,536,835	1,534,465	1,569,270	1,534,387

Palmerston North City Council
Statement of Cash Flows
For the period to 31 December 2019

	Year to Date		Full Year	
	Actual	Revised Budget	Revised Budget	Annual Budget
Cash Flows From Operating Activities				
Receipts from rates revenues	50,613	50,453	98,893	98,855
Interest received	(19)	9	17	17
Dividends received	1,035	550	550	550
Operating subsidies and grants	1,392	1,365	3,272	3,322
Receipts from other revenue	13,576	13,994	29,292	29,101
Capital subsidies and grants	2,192	3,397	7,822	7,822
Development contributions	2,265	738	1,476	1,476
Receipts from tax losses	-	-	-	-
Interest paid	(2,801)	(3,497)	(7,626)	(7,616)
Payments to suppliers and employees	(54,176)	(50,629)	(95,746)	(95,345)
Goods and Services Tax (net)	2,925	2,045	-	-
Net Cash From Operating Activities	17,002	18,425	37,950	38,182
Cash Flows From Investing Activities				
Proceeds from sale of property	77	-	(1,564)	(1,564)
Proceeds from sale of biological assets	-	-	402	402
Purchase of property, plant and equipment - new	(11,285)	(14,186)	(60,333)	(55,221)
Purchase of property, plant and equipment - renewal	(12,096)	(12,837)	(26,996)	(26,592)
Net other advances repayment received/(made)	(96)	-	-	-
Net increase in investments	(76)	-	-	-
Net Cash From Investing Activities	(23,476)	(27,023)	(88,491)	(82,975)
Cash Flows From Financing Activities				
Investment fund reductions	-	-	-	-
Net borrowing proceeds/(repaid)	7,768	8,585	50,541	44,792
Repayment of borrowings	-	-	-	-
Repayment of leases	-	-	-	-
Net Cash From Financing Activities	7,768	8,585	50,541	44,792
Net Increase/(decrease)	1,294	(13)	-	(1)
Cash at beginning of year	2,671	2,671	2,671	1,279
Cash at Month End	3,965	2,658	2,671	1,278

Attachment 7 – Approved variations to Annual Budget

After the 2019/20 Annual Budget was approved, the following changes were authorised by Council. These also impacted the debt levels.

Operating	\$000
Annual Budget Net Surplus/(Deficit) Before Tax	1,435
Changes authorised by Council:	
Additional consultancy budget to deliver a District Plan Change to rezone the balance of the Kakatangiata area from Rural to Residential to assist with meeting increased housing demand within the City. This work will be undertaken in collaboration with key landowners, in particular Pioneer City West Limited.	(125)
Capital grant to Regent Theatre for sound system replacement	(135)
Proposed City Centre Business Improvement District (\$48,000 unbudgeted expenditure - note that the Chief Executive will seek to absorb within existing budgets)	0
Revised Budget Net Surplus/(Deficit) Before Tax	1,175

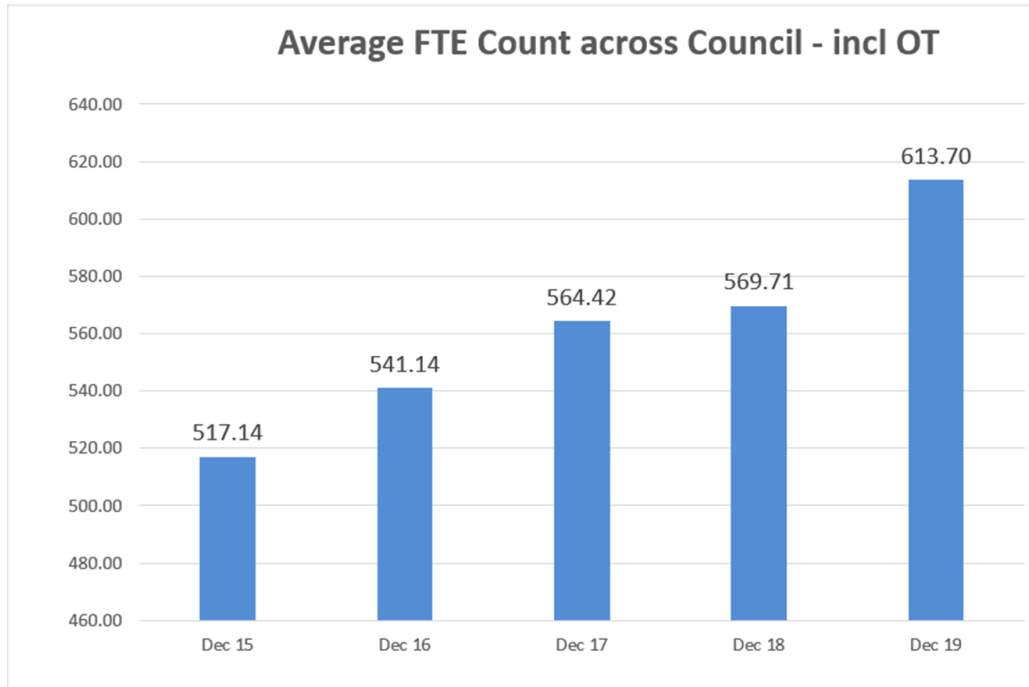
Capital Expenditure	Programme	\$000
Annual Budget total capital expenditure		81,814
Changes authorised by Council:		
Adjust budget carry forwards to actual		4,064
719-College Street - Implementation plan for Transport Upgrade		92
1183-Stoney Creek Road (School) Safety Upgrade		400
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps		404
1615-City Wide - Parking and Traffic Signs and Marking		75
1623-College Street Upgrade Parking Mitigation		480
Annual Budget total capital expenditure		87,329

Variations of Budgets approved by Chief Executive

The Delegations Manual provides that the Chief Executive may approve transfers of budgets where this will best achieve the outcome intended and savings can be made to offset the authorised increase. Amounts authorised are required to be reported quarterly to the Finance and Performance Committee.

Operating Activity	Budget change \$000
Staff budget transfer from Corporate Support to Leadership for speech writer	Corporate Support: 32 Leadership: (32)
Budget transfer from Connected Communities to Leadership for Maori Advisory	Connected Communities: 24 Leadership: (24)
Staff budget transfer from Commercial or Strategic Investments to Roding due to internal restructure	Commercial or Strategic Investments: 51 Roding: (51)
Corporate Support offsetting increase in both revenue and expenses due to Warm up Palmy	Corporate Support: 38 Revenue Corporate Support: (38) Expense
Economic Development offsetting increase in both revenue and expenses due to i-site being brought inhouse.	Economic Development: 141 Revenue Economic Development: (141) Expense
Budget Transfer from Roding to Leadership for strategy and policy functions of Transport and Infrastructure.	Roding: 50 Leadership: (50)

Capital Expenditure	Type	Budget \$000	Variation \$000
1371-Closed Landfills and Transfer Stations - Site Infrastructure	New	179	89
1373-City Wide Public Recycling Facilities	New	129	35
1410-Recycling - Recycling Bins and Crates to Non Residential Properties	New	34	(123)
54-City-wide-Wastewater Pipe Renewal	Renewal	1,744	(101)
65-City-wide-Wastewater Pump Station Renewal	Renewal	270	(30)
179-Totara Road Wastewater Treatment Plant-Minor Equipment Renewals	Renewal	291	30
1067-Totara Road Wastewater Treatment Plant-Replacement of Security Fence and Gate	Renewal	71	71
1380-Totara Road WWTP-Biogas Generator Major Overhauls	Renewal	43	30
1086-City-wide-Street Lighting Upgrade to Current LEDs	New	160	(240)
1048-Totara Road Wastewater Treatment Plant-Construction of New Food Waste Facilities	New	326	240

Attachment 8 – Personnel**FTE Count Across Council – As at December 2019**

Over the last 18 months, we have embarked on a major transformation programme, positioning the organisation to realise Council's vision of "Small City Benefits, Big City Ambition".

We have introduced new talent and capability across all areas of our organisation to meet the Council's goal as a driven and enabling Council. Consequently, we are delivering more infrastructure projects to achieve our vision, important and significant events and new communication initiatives to enhance our reputation as a City, and meeting the increased demand in our regulatory and building services.

In addition to some new positions in line with this process, we have filled a number of vacancies over the period.

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Treasury Report - 6 months ending 31 December 2019

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Stuart McKinnon, Finance Manager

RECOMMENDATION(S) TO COMMITTEE

1. That the performance of Council's treasury activity for the six months ended 31 December 2019 be noted.

1. ISSUE

To provide an update on the Council's treasury activity for the 6 months ended 31 December 2019.

2. BACKGROUND

The Council's Annual Budget for 2019/20 forecast additional debt of \$44.792m would need to be raised during the year to fund the \$53.516m of new capital expenditure programmes (including assumed carry forwards from 2018/19). In June 2019 the Council resolved to specifically authorise the raising of up to \$45m of additional debt. In August 2019 the Council approved increasing the new capital expenditure programme for the year to \$57.022m due to a revised assessment of the level of carry forwards from 2018/19. At this stage however there has been no change to the additional debt that has been authorised. If additional debt is required a request will be made later in the year.

Council's Financial Strategy (updated version adopted 25 June 2018) contains the following ratios which the Council has determined to be prudent maxima:

- Net debt as a percentage of total assets not exceeding 20%
- Net debt as a percentage of total revenue not exceeding 200%
- Net interest as a percentage of total revenue not exceeding 15%
- Net interest as a percentage of annual rates income not exceeding 20%

The Treasury Policy (embracing the Liability Management and Investment Policy), adopted in December 2017 and updated on 25 June 2018, also contains a number of other criteria regarding debt management.

3. PERFORMANCE

Following the latest annual review published on 30 September 2019 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1+ with a positive outlook.

Schedule 1 *attached* shows the details of Council's debt as at 31 December 2019. Debt levels were within the policy parameters outlined in section 2 of this report.

The summarised gross term debt movements are shown in the following table:

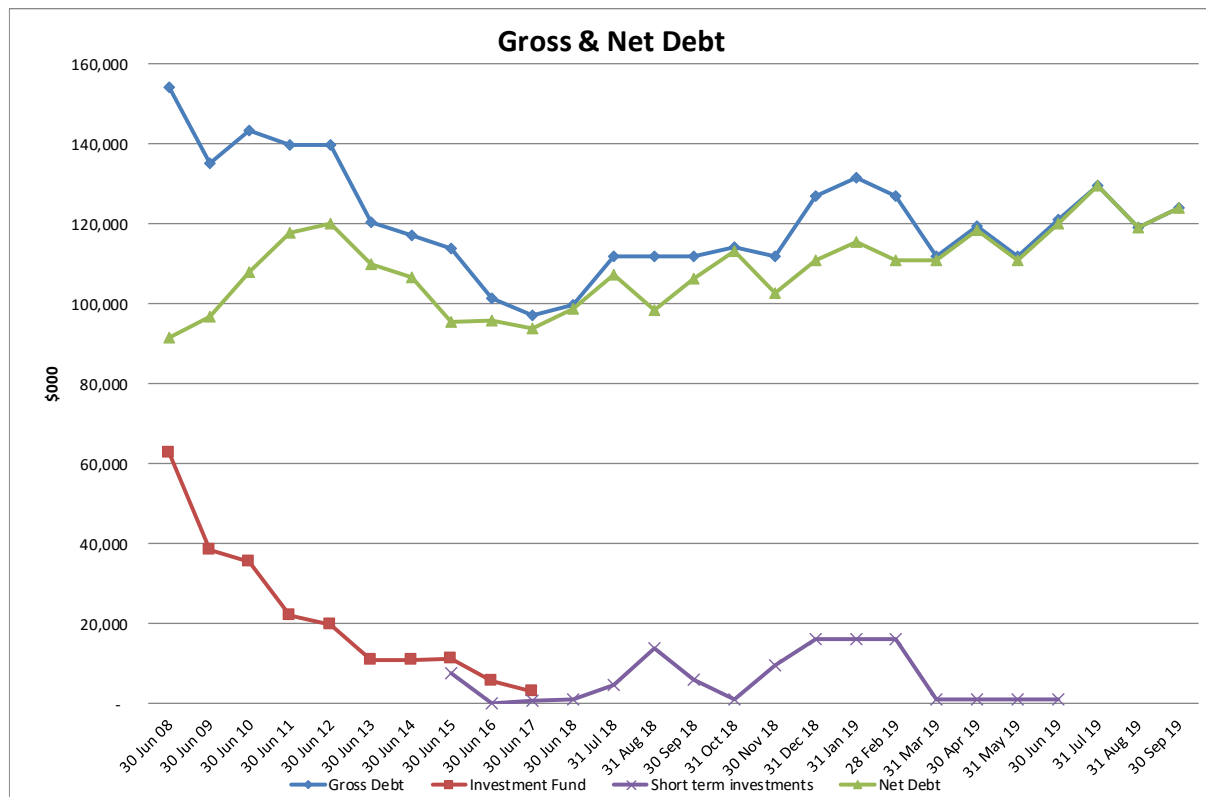
	Annual Budget for year (2019/20) \$000	Actual – 3 months (2019/20) \$000	Actual – 6 months (2019/20) \$000
Debt Balance at 1 July 2019	122,041	121,200	121,200
New Debt #	44,792	2,950	8,850
Debt repayments #			
Closing Balance	166,833	124,150	130,050
<u>Comprising:</u>			
Bank advance (on call)		5,150	6,050
LGFA short term advance		10,000	10,000
LGFA & Council stock		109,000	114,000

A portion of the Council's debt is drawn on a daily basis – daily drawdowns & repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

Gross debt at 31 December 2019 was \$130.5 m compared with \$121.2m at 1 July 2019.

PALMERSTON NORTH CITY COUNCIL

Movements in recent years are shown in the following graph:



Actual finance costs incurred during the 6 months (including interest, line fees & the effects of payments relating to swaps) amounted to \$2.8m compared with the budget for the year of \$7.616m.

The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac and ANZ. The details of these are shown in **Schedule 2 attached**.

The value of these instruments is measured in terms of its “mark-to-market” i.e. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council’s Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 31 December 2019 and show an increase in book value of \$3.16m for the quarter and \$1.12m for the year to date.

The Council’s Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:

- Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.

- Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods eg < 1 year, 1 – 3 years, 5 years +.

The position compared to the policy is illustrated in the graphs in **Schedule 3**. The overall ratio of fixed v floating interest rate debt is based on the assessed level of total debt in 12 months' time.

For the purpose of this calculation the forecast debt has been assumed as \$142m although the Annual Budget forecast is that the total debt by 30 June 2020 will be \$167m. We have used this lower forecast to protect against the risk of becoming over hedged i.e. too much fixed debt in the event the actual borrowing required is lower than budgeted. 56% of the forecast total debt is fixed (using the forecast total of \$142m) and this reduces to 47% (if the total is \$167m). Current market sentiment is that interest rates will be lower for longer.

As at 31 December 2019 all policy targets had been met.

Council's credit lines with the banks include a \$18m four-year credit facility with Westpac Bank (maturing 31 July 2022) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2022).

4. CONCLUSION & NEXT STEPS

Finance costs for the 6-month period (including interest, line fees & the effect of swaps) was \$2.8m compared with budget for the year of \$7.616m.

In conjunction with Council's treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.

Council's borrowing strategy is continually reviewed, in conjunction with Council's treasury advisors, to ensure best advantage is taken of Council's quality credit rating.

A further performance report will be provided after the end of the March 2020 quarter.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes

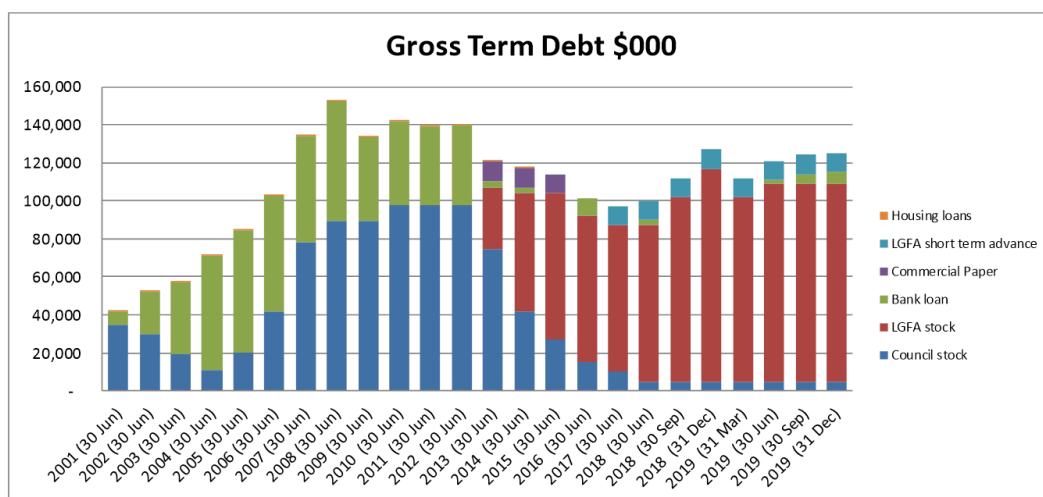
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 5: A Driven and Enabling Council		
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy		
The recommendations contribute to the achievement of action/actions in Not Applicable This report outlines the outcomes of a fundamental administrative activity of the Council.		
Contribution to strategic direction	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.	

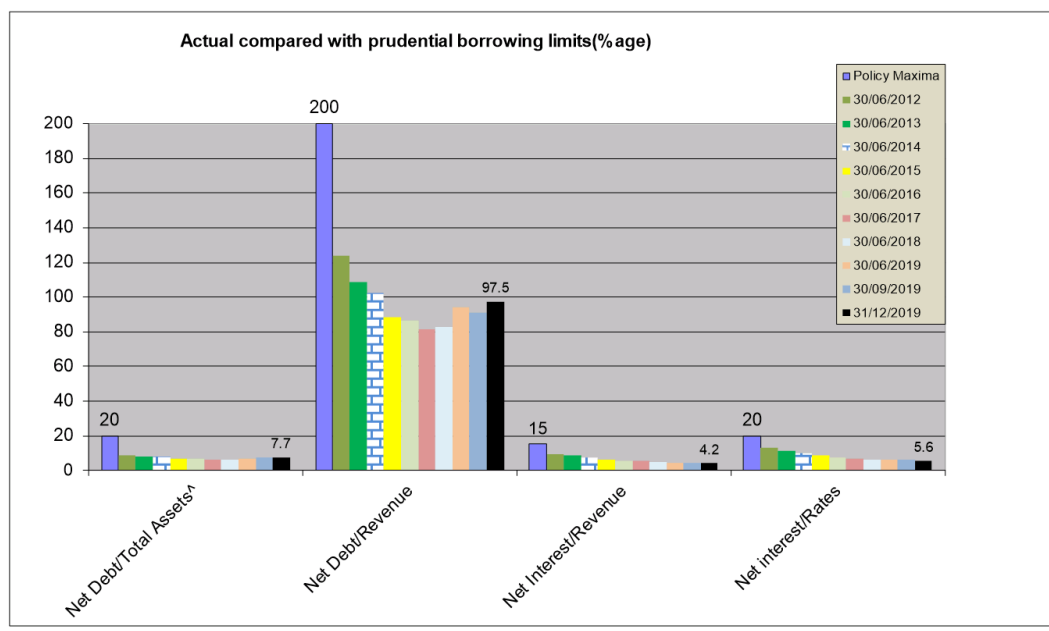
ATTACHMENTS

1. Schedules 1-3 [↓](#) 

**Schedule 1 - Debt levels & Prudential Borrowing Ratios**

Palmerston North City Council								
Term Debt as at 31 December 2019								
1. Loan Stock on Issue - Council debentures						Current		
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	as at 31/12/2019	Interest Rate	Reset Date
FRN 5 Aug 16	6	5,000,000	0.6300%	1.7650%	5-Aug-2022		Floating Qtrly	5-Feb-20
		5,000,000						
2. Loan Stock on Issue - Borrowed from LGFA								
LGFA 20 May 13	8	5,000,000	0.6425%	1.8825%	15-May-2021		Floating Qtrly	17-Feb-20
LGFA 24 Feb 14	7	10,000,000	0.5525%	1.7925%	15-May-2021		Floating Qtrly	17-Feb-20
LGFA 19 May 14	7	5,000,000	0.6000%	1.8400%	15-May-2021		Floating Qtrly	17-Feb-20
LGFA 13 Apr 15	7	10,000,000	0.3300%	1.3650%	5-Apr-2022		Floating Qtrly	6-Jan-20
LGFA 18 Aug 14	9	10,000,000	0.6325%	1.6725%	15-Apr-2023		Floating Qtrly	15-Jan-20
LGFA 23 Jul 18	6	15,000,000	0.5525%	1.5925%	15-Apr-2024		Floating Qtrly	15-Jan-20
LGFA 6 Sep 17	7	6,000,000	0.6000%	1.8150%	15-Sep-2024		Floating Qtrly	16-Mar-20
LGFA 6 Sep 17	8	6,000,000	0.6600%	1.7000%	15-Apr-2025		Floating Qtrly	15-Jan-20
LGFA 22 Mar 18	8	5,000,000	0.7250%	1.7650%	15-Apr-2026		Floating Qtrly	15-Jan-20
LGFA 17 Jun 19	7	7,000,000	0.6525%	1.6925%	15-Apr-2026		Floating Qtrly	15-Jan-20
LGFA 16 Mar 15	12	5,000,000	0.4575%	1.4975%	15-Apr-2027		Floating Qtrly	15-Jan-20
LGFA 8 Jun 15	12	5,000,000	0.4525%	1.4925%	15-Apr-2027		Floating Qtrly	15-Jan-19
LGFA 17 Dec 18	10	5,000,000	0.7875%	1.8275%	15-Apr-2028		Floating Qtrly	15-Jan-20
LGFA 7 Oct 19	9	5,000,000	0.7100%	1.7433%	18-Apr-2028		Floating Qtrly	15-Jan-20
LGFA 17 Dec 18	11	10,000,000	0.8225%	1.8625%	15-Apr-2029		Floating Qtrly	15-Jan-20
		109,000,000						
3. Sums drawn from ANZ								
As required					31-Mar-2022		Reset at any time	
					* plus line fee of 0.22%			
4. Sums drawn from Westpac								
On call - variable amount		6,050,000		2.080%	31-Jul-2022		Reset at any time	
					* plus line fee of 0.27%			
5. Short term facility from LGFA								
LGFA 11 Nov 19		10,000,000	0.11%	1.260%	10-Feb-2020	10,000,000		
Total as at 31 December 2019		130,050,000				10,000,000		





The Financial Strategy contains a series of ratios that the Council has determined to be prudent maxima. The chart above shows the actual results for since 2011/12 compared to those ratios.

The net debt/revenue policy ratio limit was reduced from 180% to 175% with the adoption of the updated policy on 27 June 2012. The 2018-28 Financial Strategy incorporates a new policy maximum of 200%.

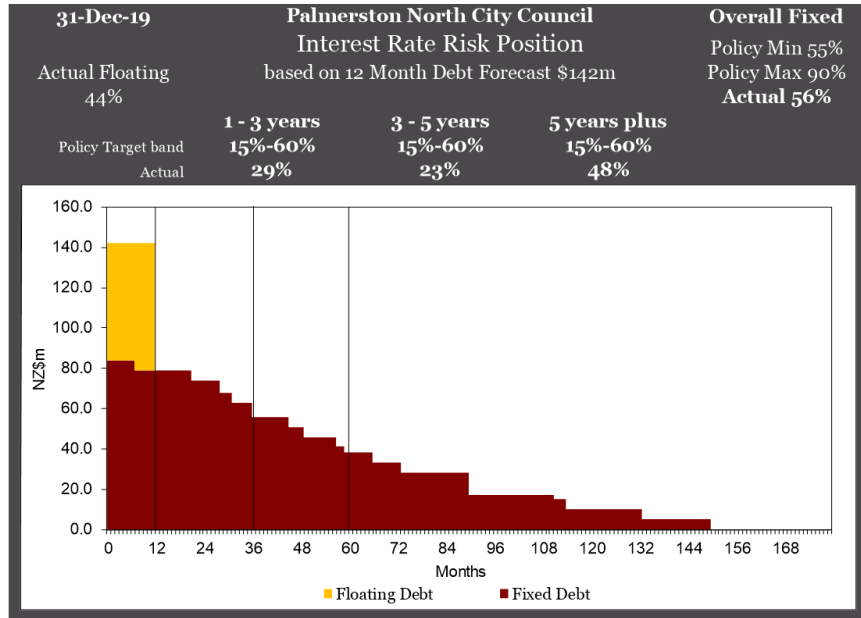
[^] The Net Debt/Total Assets ratio became effective from 1 July 2015. Previously the ratio used was Net Debt/Equity and the actuals for the previous ratio are shown in this report for information.

**Schedule 2 - Interest Rate Swaps**

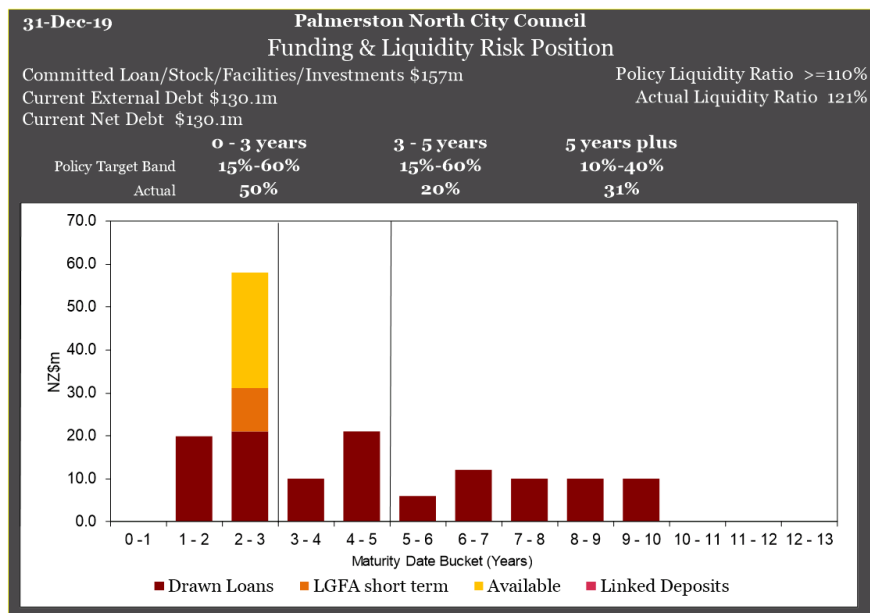
Palmerston North City Council									
Interest Rate Swaps as at 31 December 2019									
Council pays fixed & receives floating on a monthly basis							Current		Hedgebook
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest	Floating	Reset date	Value at
			\$m			rate	rate		31-Dec-19
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%	1.185%	9-Jan-20	(169,220)
Active total at 31 Dec 19			5.0						(169,220)
								Current	0
								Term	(169,220)
Council pays fixed & receives floating on a quarterly basis							Current		Value at
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest	Floating	Reset date	31-Dec-19
			\$m			rate	rate		
Westpac	10-Sep-09	1329748	6.0	21-Oct-09	22-Jul-19	5.8675%	Matured 22 July 19		
Westpac	19-Aug-10	1656930	5.0	10-Oct-10	10-Jan-20	5.9375%	1.03714%	10-Jan-20	(61,728)
Westpac	19-Aug-10	1656928	5.0	10-Oct-10	10-Jul-20	5.9350%	1.03714%	10-Jan-20	(178,672)
Westpac	12-Feb-13	2882863	7.0	8-Mar-13	8-Jun-20	5.35%	1.185%	9-Mar-20	(144,130)
ANZ	17-Dec-13	8539285	3.0	17-Feb-14	15-Nov-20	4.92%	1.240%	17-Feb-20	(110,848)
Westpac	21-Feb-14	3540565	5.0	7-Mar-14	7-Sep-20	6.295%	1.185%	9-Mar-20	(189,347)
Westpac	8-May-14	3673014	5.0	9-Jun-14	7-Sep-21	6.060%	1.185%	9-Mar-20	(417,324)
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	1.03714%	10-Jan-20	(548,430)
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%	1.200%	6-Mar-20	(341,244)
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	1.215%	16-Mar-20	(599,730)
Westpac	18-Jul-14	3787822	6.0	29-Sep-15	29-Sep-23	4.850%	1.280%	30-Mar-20	(767,066)
Westpac	20-Feb-15	4211117	5.0	8-Mar-17	6-Mar-20	3.810%	1.200%	6-Mar-20	(32,459)
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	1.215%	16-Mar-20	(677,851)
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	1.03714%	10-Jan-20	(754,468)
Westpac	20-Feb-15	4211119	5.0	6-Dec-18	6-Dec-19	3.875%	Matured 6 Dec 19		
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	1.035	21-Jan-20	(311,488)
BNZ	10-Jul-19	384538896	5.0	31-Jul-19	21-Jul-22	1.345%	1.035	21-Jan-20	(11,804)
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	1.2	6-Mar-20	(221,940)
Active total at 31 Dec 19			82.0						(5,368,529)
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0	10-Jan-20	(625,194)
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0	8-Jun-20	(556,163)
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0	7-Sep-20	(490,096)
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0	8-Jun-21	(361,800)
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0	16-Nov-20	(289,686)
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0	9-Dec-20	(526,161)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	0	11-Apr-22	(347,697)
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	0	15-Jun-23	(348,198)
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	0	29-Sep-23	(388,753)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	0	15-Jun-24	(393,404)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%	0	10-Oct-24	(473,425)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	0	10-Jun-24	(588,761)
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	0	6-Mar-20	(227,252)
Forward start total at 31 Dec 19			63.0						(5,616,590)
									(10,985,119)
								Current	(2,820,340)
								Term	(8,164,779)
									(11,154,339)

Schedule 3 - Risk Exposure Position

Interest Rate Risk Position – proportions of Debt subject to floating versus fixed interest rates within pre-set policy limits



Funding & Liquidity Risk Position – proportions of Debt within pre-set maturity bands



MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: New Deed of Lease for Manawatu Pony Club, Manawatu Canine Club and Ruahine Kindergarten Milverton

PRESENTED BY: Bryce Hosking, Manager - Property

APPROVED BY: Tom Williams, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That the Council as the administering body under the Reserves Act 1977, on behalf of the Minister of Conservation, approve the following leases:
 - a. Land lease at Ashhurst Domain, Palmerston North, to Manawatu Pony Club Incorporated.
 - b. Land lease at Ashhurst Domain, Palmerston North, to The Manawatu Canine Centre Incorporated.
 - c. Land lease at Milverton Park, Palmerston North, to Ruahine Kindergarten Association Incorporated.
2. That the Council agree to execute the following leases:
 - a. A new five-year lease with renewal option between Palmerston North City Council and Manawatu Pony Club Incorporated for the land at Ashhurst Domain, Palmerston North.
 - b. A new five-year lease with renewal option between Palmerston North City Council and The Manawatu Canine Centre Incorporated at Ashhurst Domain, Palmerston North.
 - c. A new five-year lease with renewal option between Palmerston North City Council and Ruahine Kindergarten Association Incorporated for the land at Milverton Park, Palmerston North.

1. ISSUE

- 1.1 The following leases have expired and are now on a month-to-month tenancy:
 - a. The land lease at Ashhurst Domain, Palmerston North, to Manawatu Pony Club Incorporated expired on 31 May 2016.

- b. The land lease at Ashhurst Domain, Palmerston North, to The Manawatu Canine Centre Incorporated expired on 30 June 2016.
 - c. The land lease at Milverton Park, Palmerston North, to Ruahine Kindergarten Association Incorporated expired on 31 October 2019.
- 1.2 Manawatu Pony Club Incorporated, The Manawatu Canine Centre Incorporated and Ruahine Kindergarten Association Incorporated have intentions to continue using their respective land areas. Thus, new land leases are required respectively.
- 1.3 As all three land areas are classified as reserves under the Reserves Act 1977, the new leases require approval from the Local Authority on behalf of the Minister of Conservation prior to a new lease being entered.
- 1.4 If new leases are entered, the lease terms will be as follows:
 - Manawatu Pony Club Incorporated
 - Commencement Date: 1 June 2020
 - Lease Term: Five (5) Years
 - Renewal Term: One term of Five (5) Years
 - Annual Rental: \$1,000.00 + GST and outgoings
 - Use of the Site: Remain same as the existing use
 - The Manawatu Canine Centre Incorporated
 - Commencement Date: 1 July 2020
 - Initial Lease Term: Five (5) Years
 - Renewal Term: One term of Five (5) Years
 - Annual Rental: \$500.00 + GST and outgoings
 - Use of the Site: Remain same as the existing use
 - Ruahine Kindergarten Association Incorporated
 - Commencement Date: backdated to start on 1 November 2019
 - Initial Lease Term: Five (5) Years
 - Renewal Term: One term of Five (5) Years
 - Annual Rental: \$50.00 + GST and outgoings
 - Use of the Site: Remain same as the existing use

2. BACKGROUND

2.1 Manawatu Pony Club Incorporated

- Manawatu Pony Club Incorporated has had a land lease at Ashhurst Domain since June 2009.
- Council Officers contacted the Pony Club for entering a new lease before the lease expiry in 2016. The execution of the lease had been delayed due to the Pony Club requesting more area for the new lease.
- Council Officers were working with the Pony Club to confirm specific land size requirements. However, after negotiation the land size has stayed the same in the new lease as before.
- For clarity, while these negotiations were taking place the lease rolled to month-to-month tenancy.
- The Pony Club pay an annual rental each year in one payment. As the current year's payment has been made, the new lease will commence in June 2020.

2.2 The Manawatu Canine Centre Incorporated

- The Manawatu Canine Centre Incorporated has had a land lease at Ashhurst Domain since July 2006.
- Council Officers contacted the Canine Centre for entering a new lease before the lease expiry in 2016. The execution of the lease had been delayed due to negotiations over the operational terms of a new lease.
- For clarity, while these negotiations were taking place the lease rolled to month-to-month tenancy.
- The Canine Centre pay an annual rental each year in one payment. As the current year's payment has been made, the new lease will commence in July 2020.

2.3 Ruahine Kindergarten Association Incorporated

- Ruahine Kindergarten Association Incorporated has had a land lease at Milverton Park since November 2009.
- The land leased to Ruahine Kindergarten Association Incorporated is a 650 square metres narrow strip used as part of the path way accessing the facilities owned by Ruahine Kindergarten Association Incorporated right next to Milverton Park.

2.4 The public notification process required under the Reserve Act 1997 has been undertaken with notification being advertised of Council's intention to enter a new lease for the above three new leases.

- 2.5 Council Officers confirm that no submissions were received from this process.
- 2.6 The draft new leases were provided to Manawatu Pony Club Incorporated, The Manawatu Canine Centre Incorporated and Ruahine Kindergarten Association Incorporated for review and they are satisfied with the terms.

3. NEXT STEPS

- 3.1 A new lease will be executed between Palmerston North City Council and Manawatu Pony Club Incorporated.
- 3.2 A new lease will be executed between Palmerston North City Council and The Manawatu Canine Centre Incorporated.
- 3.3 A new lease will be executed between Palmerston North City Council and Ruahine Kindergarten Association Incorporated.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the Active Community Plan	
The action is to: Carry out recreation and reserves planning functions under the Reserves Act 1977 and LGA including the preparation of Reserve Management and Development Plans and Master Plans.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	•

ATTACHMENTS

Nil

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Powerco Easement at Vautier Park

PRESENTED BY: Bryce Hosking, Manager - Property

APPROVED BY: Tom Williams, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council, as the administering body of Vautier Park (legally described as Part Section 249 Town of Palmerston North), authorise the granting of an easement to convey electricity, to Powerco.
2. That Council, in exercise of the powers conferred on it by delegation under the Reserves Act 1977, authorise the granting of an easement to convey electricity, to Powerco.
3. That Council note that the requirements of Section 4 of the Conservation Act 1987 have been satisfied in relation to consultation with Iwi over granting an easement to convey electricity at Vautier Park.
4. That Council note that the requirements of Sections 119 and 120 of the Reserves Act 1977 have been satisfied in relation to public notification prior to the resolution to grant an easement to convey electricity over Vautier Park.

1. ISSUE

- 1.1 Powerco currently have facilities for the supply of electricity to Freyberg Pool and School located along the drive way from Tremaine Avenue into Vautier Park (legally described as Part Section 249 Town of Palmerston North), edged in red as below aerial picture.



- 1.2 Council has asked Powerco to carry out electrical works by taking a feed of the existing line to supply Vautier Park Netball Courts, Puriri Terrace, Palmerston North.
- 1.3 This work was undertaken to resolve the problem of the insufficient power to the courts to run the training lights.
- 1.4 Any form of utility for services on reserve land requires an easement (or some comparable form of approval to use the land for purposes that are not recreation-based activities), as described in the Reserves Act 1977.
- 1.5 In addition, there is no easement registered for the facilities supplying electricity owned by Powerco at Vautier Park.

2. BACKGROUND

- 2.1 In 1968 the Electricity Act provided the legal basis for utilising land for the purposes of conveying electricity. In 1977 this method of utilising land in reserves for the purposes of conveying electricity was superseded by the Reserves Act 1977.
- 2.2 In recent years Powerco have been bringing the legal status of their electricity conveyance utilities into alignment with that Act – which requires the establishment of an easement. Powerco are achieving this, for efficiency, as they carry out additional work and the upgrade of their utilities.
- 2.3 Public notification is required under the Reserve Act for granting an easement.
- 2.4 Council Officers prepared a Memorandum for the corrective action of granting an easement to Powerco at Vautier Park, Palmerston North to the Executive Leadership Team in September 2019 before the public consultation.
- 2.5 The public submission process was undertaken for the easement as per Section 120 of the Reserves Act 1977.

- 2.6 There were no submissions in support or opposition received.
- 2.7 Iwi must also be consulted on any permanent easement proposal under Section 4 of the Conservation Act, prior to adoption of the easement. This consultation was undertaken, and Iwi did not oppose the easement.

3. NEXT STEPS

- 3.1 The easement instrument will be drawn up and altered, then added to the relevant property title.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 3: A Connected and Safe Community	
The recommendations contribute to the outcomes of the Economic Development Strategy	
The recommendations contribute to the achievement of action/actions in the Economic Development Plan	
The action is: Carry out recreation and reserves planning functions under the Reserves Act 1977 and LGA including the preparation of Reserve Management and Development Plans and Master Plans.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This action ensures Council meets its legal obligations under the Reserves Act 1977 with regards to reserves planning and legislative requirements for utilities sited in reserves.

ATTACHMENTS

Nil

REPORT

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Wastewater BPO Quarterly Report & Financial Status

PRESENTED BY: Robert van Bentum - Transport and Infrastructure Manager, Sacha Haskell, GM - Communications and Marketing

APPROVED BY: Tom Williams, Chief Infrastructure Officer
Sacha Haskell, General Manager - Marketing and Communications

RECOMMENDATION(S) TO COUNCIL

1. That the Committee receive the update for the Wastewater BPO Project as detailed in the report titled 'Wastewater BPO Quarterly Report & Financial Status' dated 19 February 2020.
2. That the Committee approves additional budget of \$470,700 in order to complete the technical work and marketing and communications input scoped for the BPO Project for the 2019/2020 FY.

1. REPORT PURPOSE

- 1.1 The purpose of the report is to provide an update to the Finance and Audit Committee of Council on the achievements of the Wastewater BPO Project for the period ending 1 February 2019. This is the second third update for the 2019-20 FY. A final report will be provided in June 2020.
- 1.2 The quarterly reports are in addition to periodic project workshops with Council undertaken at key milestones and decision points within the Project.
- 1.3 This report also updates the project expenditure against budget and total project financial commitments for the financial year. The update confirms that in order to complete the full scope of technical investigations and communication and marketing work (programmed for this financial year), additional funding is required. The rationale for and breakdown of the additional funds required is outlined in the report.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

2.1 Introduction

- 2.1.1 Council is required to lodge an application for new resource consents for the Best Practicable Option (BPO) for on-going treatment and discharge of treated wastewater from the Totara Road Wastewater Treatment Plant, by 30 June 2022.
- 2.1.2 The BPO Project was initiated in 2017 and has progressed to date, in line with the Project Programme adopted by the Council (refer Attachment 1). To date, all programmed tasks have been achieved within the Projects timeframe and budget.
- 2.1.3 As part of the 2018/28 Long Term Plan, Council confirmed an operational programme budget of \$1,120,800 for the 2019/2020 Financial Year.

2.2 Identification of BPO Options

- 2.2.1 The Project Team and Project Steering Group (PSG) are delivering the Project within the adopted methodology to determine the Best Practicable Option (BPO). A copy of the methodology adopted to deliver the BPO is attached (Attachment 2).
- 2.2.2 Since December 2018, the Projects Team has worked with stakeholders to develop the preliminary list of options (longlist) for the Wastewater BPO. A total of 34 options were developed across 6 categories. These categories included: Land, River, Groundwater, Ocean, Direct to Water Supply, Land and River combined. Sub-regional schemes and alternative treatment plant locations were options considered for all categories.
- 2.2.3 After completing the various assessments, the shortlist was confirmed in a Council workshop on 17 June 2019. Council endorsed the shortlist on 24th June 2010 and the Project has proceeded into options development.
- 2.2.4 The shortlist options represent the full range of receiving environments and include the following:

Table 1 Shortlist Options

Option	Description
R2(b)	All wastewater discharged to the Manawatū River, with increased TP and TN removal
Dual R + L	Manawatū River discharge at Totara Road and below Opiki Bridge, with some land application
L + R(a) and (b)	Approximately 97% of the treated wastewater applied to land
L + R(d) and (e)	Treated wastewater applied to land below intermediate/high flows in the Manawatū River
GW -2	Base flow to land application, with remainder to high rate infiltration
O + L	Most of the treated wastewater discharge to the ocean and some wastewater applied to land.

2.2.5 Technical investigations that cover environmental, archaeological, cultural, social and economic constraints are needed to confirm optimal locations for each of the shortlist options. To adequately complete an Alternatives Assessment under the Resource Management Act (RMA), these investigations need to be robust as they have the potential to be challenged in an Environment Court process.

2.2.6 Consultation with the stakeholders and the community is necessary to meet statutory obligations under the RMA and the Local Government Act (LGA). The main consultation phase for the project is scheduled for March 2020 because this will inform the development of technical assessments and evaluation of options in late 2020. It is also necessary to complete consultation prior to the Long Term Plan consultation phase.

3. PROJECT PROGRESS DURING CURRENT QUARTER

3.1 Technical Work Streams

3.1.1 Since June 2019, the Project Team have refined the scope of work necessary to complete technical assessments and consultation. This information is required to inform a Multi-Criteria Analysis (MCA) scheduled for July 2020 (refer Attachment 2). This technical work has commenced and is focused on the following:

- Determine treatment solutions for all shortlisted options, including updated costings and capital and operational costs;
- Identify of potential sites for shortlisted options, including land, ocean, groundwater and river discharge locations;
- Determine the size of land necessary for land and groundwater discharges;
- Map constraints and report for sensitive receivers for the following criteria: natural environment, social and recreation, archaeological, property, cultural, planning and land use;

- Determine trade waste pre-treatment standards and solutions and model potential trade waste changes;
- Continue to complete river studies (fieldwork) and complete further river modelling to refine option triggers for any river discharge option;
- Complete workshops with technical experts to determine potentially preferred site options for each shortlist option;
- Develop wetland objectives and principles that can be used to inform design of preferred wetland and land passages, site identification and associated costs; and
- Identify funding and procurement options for the shortlist options.

3.1.2 Council were provided with a project update in January 2020, at which the Project Team will present the outcomes of the technical analysis completed to date, describe the upcoming consultation process starting in March 2020 and seek endorsement of future briefings and workshops to Council.

3.1.3 During February 2020, the project team will develop further summary information including infographics for each of the short-list options, to inform the preparation of consultation and engagement material. A consolidated report will be prepared with summaries of each of the shortlist options (key components, treatment levels and indicative costs).

3.1.4 In March 2020 a 4-week stakeholder engagement process will be undertaken. The information gathered from this process will be used to inform the Council of stakeholder aspirations for the BPO. It will also provide the Project Team with additional information and any insights to inform further technical assessments leading up to the multi-criteria assessment process.

3.2 Statutory Planning Changes

3.2.1 On 22 July 2019, Horizons Regional Council publicly notified Proposed Plan Change 2 to One Plan. Council made a submission to PPC2 on the basis the plan change has the potential to impact on the ability to discharge treated wastewater to land (as proposed in five of the shortlisted options). This submission was considered necessary to safeguard Council's position with respect to the future consenting of the BPO and was prepared using the technical expertise within the Project Team.

3.2.2 Council also took the lead on preparing and lodging a combined submission, together with Horowhenua, Manawatu, Rangitikei, Ruapehu and Tararua District Councils. Further submissions have been received by Horizons Regional Council with some being in support and others opposed to PNCC's submission. Council is still waiting to hear from Horizons Regional Council on the next step.

- 3.2.3 During July 2019, the Draft National Policy Statements for Freshwater, Productive Soils and Urban Development were released. Council has lodged submissions on all three of these policy statements, following their release for consultation. Council is still waiting to hear back on the next step in the consultation process.

3.3 Stakeholder Engagement

- 3.3.1 Between June 2019 and December 2019, additional information has been developed through the technical assessments however the information has not yet been shared with stakeholders and the community. Several meetings have been held with key stakeholders to provide updates on project progress and seek input into the options development, without providing any further technical detail on the options.
- 3.3.2 Communication with the public and stakeholders has been focussed on raising awareness of the Project. This has included updates to websites and via social media channels, with supplementary information via print and radio. An open day was also held at the wastewater treatment plant in 2018. Following completion of each stage and key milestone in the project, the web and communication content has been refreshed and amended.
- 3.3.3 One to one engagement with wider Iwi groups will commence in February 2020, prior to the public engagement process in March. The purpose will be to share with them information about the short-listed options, particularly for options located within their Rohe. Engagement will be on-going to ensure the project team is aware of their concerns regarding the impact of each option and to enable the team to identify any opportunities to avoid or mitigate their concerns. An Iwi advisor has been appointed to support the Project and is assisting the Principal Iwi Advisor in Council in fronting this engagement process.
- 3.3.4 Engagement with Horowhenua District Council and Manawatu District Council elected members is planned in February 2020, prior to the public engagement process in March. This will make them aware that some of the short-listed options are located within their District. Engagement at Officer level has been ongoing since 2018, however it is necessary to engage with the Chief Executive and Elected Members at this stage of the Project.
- 3.3.5 One-to-one engagement with Massey University, Environment Network Manawatu and the Chamber of Commerce which has been on-going will continue as more detailed information on the short-listed options is available. The project team will look to identify some additional stakeholder groups to ensure information about the project is as widely understood as possible.
- 3.3.6 Focused engagement initiated with the trade waste sector will continue with workshops to consider results from more detailed monitoring and assessments of pre-treatment options and modelling of potential future trade waste charges. A

survey of trade waste customers completed in September 2019 has provided some baseline information around customer growth intentions and current on-site treatment priorities.

- 3.3.7 A Stakeholder Engagement Plan was presented to the PSG in October and a revised version again in December 2019. The plan outlined activities and tasks to be undertaken to deliver a comprehensive programme of community and stakeholder engagement to commence in March 2020. The total budget for the proposed engagement is estimated at \$140,000, with \$40,000 of this amount associated with production of collateral to support the consultation.

4. OUTLINE OF MARKETING & COMMUNICATIONS

4.1 Marketing & Communications Plan

- 4.1.1 A Communications and Marketing Plan was presented to the PSG in October and a revised version in December 2019. The plan outlined a range of marketing initiatives to raise awareness of the project in the lead up to the intensive period of engagement and on-going promotional work to ensure a high level of response from the engagement.
- 4.1.2 The overall marketing objectives are to raise public awareness, understanding and interest in Nature Calls project and BPO decision-making process and to support the Project Team's engagement plan. This will assist in maintaining public confidence in the process by clearly communicating progress and provide assurance that public feedback is being captured and considered.
- 4.1.3 The Marketing and Communications Plan includes four phases:
- Phase 1. Build awareness, educate and inform (Jan to Feb 2020)
 - Phase 2. Consultation support (March 2020)
 - Phase 3. Inform public on the BPO selection (late 2020)
 - Phase 4. Inform public of resource consent lodgement (early - mid 2020)
- 4.1.4 The purpose of Phase 1 is to raise awareness that the city will be making a major investment into wastewater. It will also include an education component that includes how people can save money and reduce the wastewater inputs. This will involve website updates and CAB displays. The cost of delivering Phase 1 is estimated at \$39,000.
- 4.1.5 The purpose of Phase 2 is to raise awareness of the shortlisted options and encourage residents to participate in the Nature Calls public consultation process. This will involve website, CAB displays and project team involvement at engagement events. The cost of delivering Phase 2 is estimated at \$76,500.
- 4.1.6 The total cost of marketing and communications input required for the project

during the current financial year is estimated at \$115,500.

4.2 Technical & Legal Reviews

- 4.2.1 Mott MacDonald will undertake a review of all technical work produced to determine the shortlist options prior to the MCA process commencing. This is scheduled to be complete in June 2020. It is essential the Project Team and Council have a complete set of information prior to completing the MCA and these reviews will assist Council in ensuring the information is complete.

5. PROJECT FINANCIAL UPDATE

5.1 Budget Allocation

- 5.1.1 The current 2019-20 budget was set during the development of the 2018-21 LTP, in early 2018 based on best assessments of the scope and extent of work to be undertaken. Budgets were developed in collaboration with the lead technical consultants Stantec, and included a contingency provision to provide for unforeseen additional work.
- 5.1.2 As the Project has evolved the resourcing and work scope requirements to meet the objectives of the project have become clearer. This has resulted in identification of additional work scopes required to robustly inform and assess the various options. A key driver for the additional work scope is the wide range of receiving environments to be assessed during the shortlist development phase.
- 5.1.3 Although every attempt has been made to utilise Council staff to undertake work where appropriate, the majority of assessment work is of a specialised nature so has required the use of external consultants. While savings have been made in some areas, the allocation of funds for technical assessment is significantly under-allocated. This has become evident through the current phase of Shortlist Options Development. There have also been several new work packages identified for which funds had not been provided in the original 2018 budget.
- 5.1.4 Table 2 below summarises the specific areas where funding and cost where changes in costs allocated and shortfall in costs for the 2019-20 Financial Year.

Table 2. Budget and Funding Summary

Project & Technical Deliverables	Current Budget	Revised Budget	Change
Project Management	\$310,000	\$300,000	-\$10,000
Project Governance activities	\$70,000	\$116,000	+\$46,000
Environmental Investigations and field work	\$140,000	\$190,000	+\$50,000
Statutory Planning, Submissions & legal review/support	\$130,000	\$160,000	+\$30,000
Shortlist Development			
• technical studies	\$240,800	\$410,000	+\$169,200
• Wetlands	\$30,000	\$60,000	+\$30,000
• Financial Options	\$30,000	\$30,000	\$0
Peer Review	\$70,000	\$70,000	\$0
Stakeholder Engagement	\$100,000	\$140,000	+\$40,000
Sub-Total	\$1,120,800	\$1,476,000	+\$355,200
Marketing and Communications			
Phase 1	\$0	\$39,000	+\$39,000
Phase 2	\$0	\$76,500	+\$76,000
Sub-Total	\$0	\$115,500	+\$115,500
TOTAL for 2019/20 FY	\$1,120,800	\$1,591,486	+\$470,700

- 5.1.5 The table attached (Attachment 3) further details the original funding estimates, current funding allocation within the 2019/2020 FY budget and the shortfalls. A total additional budget of \$355,200 is required to complete committed technical work this Financial Year, while an \$115,500 is being requested to cover the costs associated with delivering Phase 1 and 2 of the Marketing and Communications Plan (refer Section 4 above).
- 5.1.6 In summary an additional \$470,700 is required to complete both the technical assessments, consultation and marketing and communications tasks this financial year.
- 5.1.7 Every attempt has been made in collaboration with our lead consultants Stantec to reduce costs as much as reasonably possible. This has been undertaken without compromising the delivery and credibility of technical assessments. The scope and range of technical assessments have already been optimised and prioritised by utilising desk top assessments using publicly available data sets, involving Council staff and deferring a number of more detailed assessments e.g. soils field work, until

after BPO option confirmation, later in the project. The optimisation process has been a collaborative one involving the Transport and Infrastructure Manager, BPO Project Manager and Stantec advisers. Specific areas where cost savings have been achieved include:

- Revision of all work package scopes prepared by consultants by Project Manager and Transport and Infrastructure Manager, to ensure scopes are both reasonable and necessary;
- Utilising internal staff to undertake a significant proportion of the Tradewaste investigations including surveys, workshops, modelling and testing;
- Utilising the Project Manager with internal staff support to complete the social and recreational effects assessments;
- Stakeholder meetings led by BPO Project Manager and supported when necessary by technical team.

5.1.8 The bulk of the additional costs are associated with the technical assessment required as part of the shortlist options development. This work includes technical assessments in archaeology, soils and groundwater, property, social impacts, land use planning, environmental science and ocean sciences. The additional work includes more detailed work on wastewater treatment solutions, and trade waste management options for each of the shortlisted options. All the assessments are required to inform the MCA process to be undertaken early in the 2020/2021 Financial Year.

5.1.9 The Project is now at a critical stage, where adequate investigations are needed to inform the 'Alternatives Assessment' under the RMA. This phase will be a contestable part of the resource consent and hearings process. It is considered essential that adequate technical analysis is undertaken across all shortlist options prior to confirming the BPO in 2020.

6. CONCLUSION

6.1.1 Significant assessment work has been completed on the short list options, such that there is adequate information available to inform the intensive consultation and engagement planned for February and March 2020. The Project is progressing in line with the programme schedule and timeline. The project is working towards confirmation and endorsement of the BPO by Council in December 2020. In order to achieve this adequate investigation and assessment of each of the short list options needs to be completed by the end of the 2019/20 financial year.

6.2 The original operational budget approved for the 2019/2020 financial year, is inadequate to complete the full scope of work due to several factors including:

- the need to assess a wider range receiving environments as part of the shortlist development phase;

- the need for more comprehensive and diverse assessments to adequately satisfy the 'Alternatives Assessment' test under the RMA across all options, if a challenge during the resource consent process is to be avoided e.g. Environment Court; and
- the scope of marketing and communications tasks, tools and collateral required to effectively engage with the community and key stakeholders was inadequately provided for in the original budget.

6.3 Approval is requested from Council to increase the budget to cover unbudgeted expenditure of \$355,200 to complete the technical work necessary to deliver the BPO this financial year.

6.4 Approval is requested from Council to increase the budget to cover unbudgeted expenditure of \$115,500 to complete marketing and communications this financial year.

6.5 It is considered essential that the full scope of work now confirmed by the project team as required in this financial year be undertaken, to avoid compromising the robustness of the assessment and decision-making phase to be completed early in the 2020/21 financial year.

7. NEXT ACTIONS

7.1 Council workshops are proposed in January, May and June to, confirm the consultation process, provide feedback on the engagement process and seek endorsement for the identified shortlist options.

7.2 Technical assessments will continue to be advanced to refine and further detail the shortlist options by June 2020.




7.3 The multi-criteria assessment (MCA) process will be undertaken in August - September 2020 with the aim of recommending a BPO to Council in December 2020.

8. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No

Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 4: An Eco City	
The recommendations contribute to the outcomes of the Eco City Strategy	
<p>The recommendations contribute to the achievement of action/actions in the Three Waters Plan</p> <p>The action is:</p> <p>A best practicable option (BPO) for the treatment and disposal of the city's wastewater is identified for the renewal of the Wastewater Treatment Plant resource consent by June 2021.</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The BPO project is informing the Council's decision about the future treatment and discharge of wastewater for the city for the next 35 to 50 years. It is the most significant investment decision the Council will make in the current LTP and is critical to ensuring the future sustainability of the city and its ability to provide for wastewater from future residential and industrial growth.

ATTACHMENTS

1. BPO Project Programme [↓](#) 
2. BPO Project Methodology [↓](#) 
3. BPO Project Budget Detail [↓](#) 

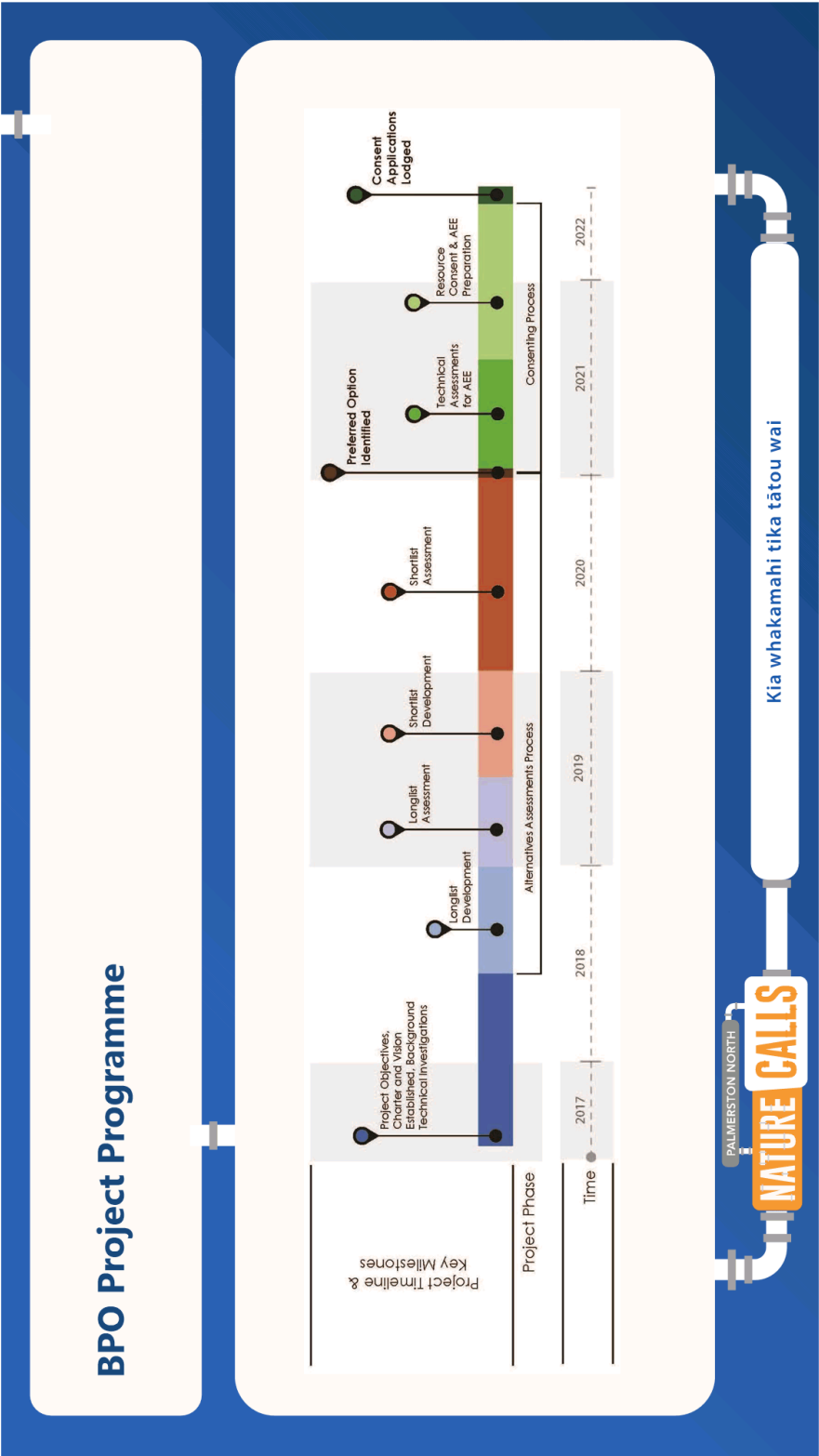
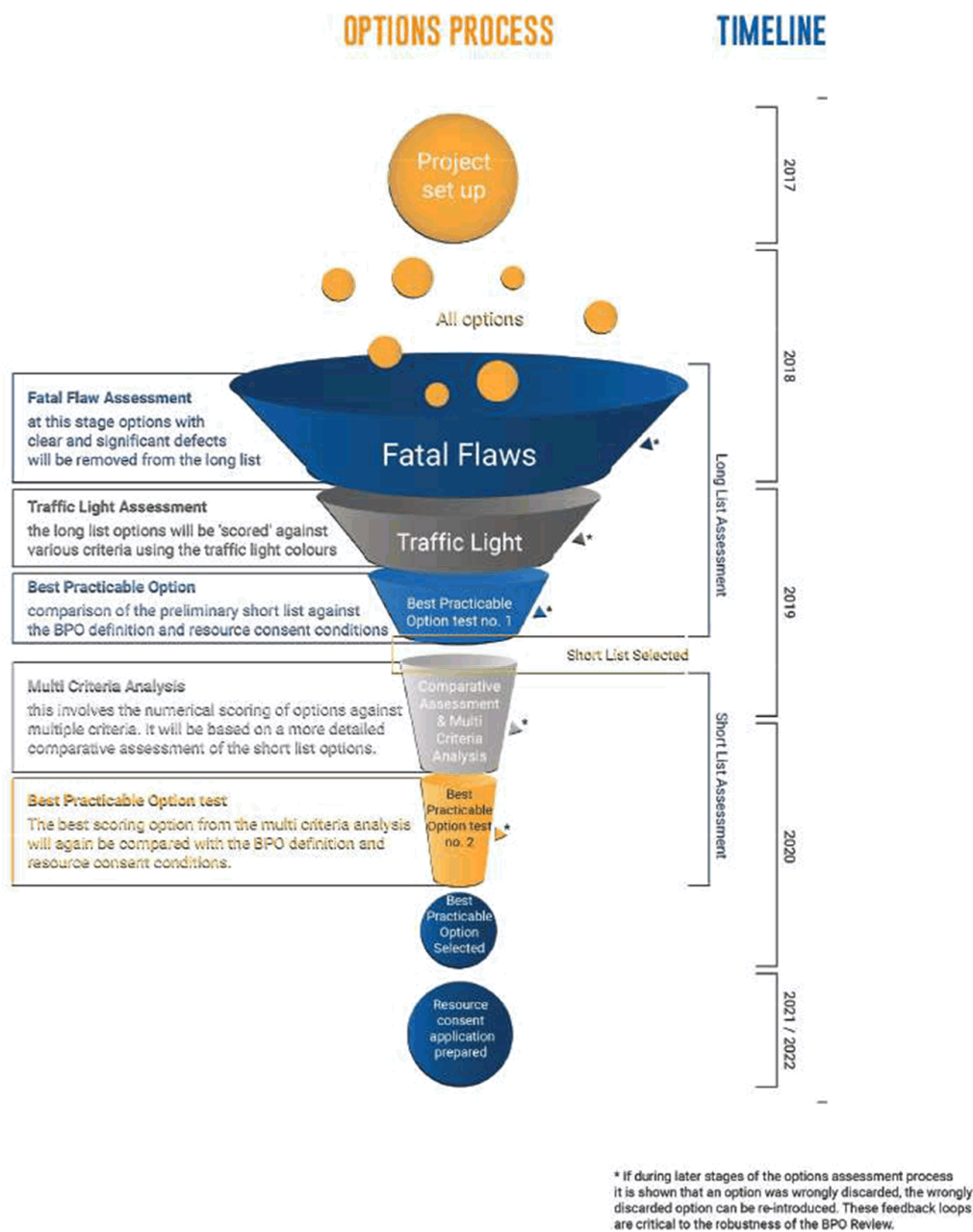


Figure 1 – BPO Review Assessment ‘Sieve’



Palmerston North City Council
Wastewater BPO Review Project Financial Planning Tool

Legend: Blue indicates Stantec Fee and their Subconsultants as Technical Advisors
Black indicates Legal, PNCC other consultants and known Council Costs

WP	Description		FY TOTAL	Notes/Description of budget needs and where variations in costs have been identified from original estimated value.	Current Allocations	Required Increase/Decrease	Revised Total for FY
Work Packages							
1	Project Management and Programme (ongoing)	Stantec	\$ 120,000	Project Management costs have increased on the basis Project Management is outsourced to consultants and rates have increased.	\$ 310,000	\$ 30,000	\$ 280,000
		Consultant (PNCC)	\$ 160,000				
2	Project Commencement Activities	Stantec	\$ 10,000	Consultant fees to set up new work packages. This is not accounted for in the specific WP costs and not a separate line item.			\$ -
3	PNCC Governance / Group Engagement Activities	Stantec	\$ 20,000	Two workshops are proposed for Stantec to attend with PNCC Councillors and PSG. Currently can be budgeted for within the Engagement WP, however will eat into this.	\$ -	\$ 20,000	\$ 20,000
6	Manawātū River Monitoring & Investigations	Stantec	\$ 90,000	Expected river investigations to continue from previous FY and based on river monitoring and nutrient trials. The scope of river investigations has increased from what was originally scoped and is seasonal, therefore necessary to occur every season.	\$ 100,000	\$ 25,000	\$ 125,000
		K. Hamill	\$ 35,000				
6.1	Fish Study	Cawthron		Proposed to not undertake another fish study as there is adequate time, if the BPO is a river based option.			
7	Assessment of Future Influent Wastewater Quality & Quantity	Stantec		Understanding of growth and treatment plant capacity is needed, not previously understood. Tradewaste is a focus of this work. A cost estimate of \$65k has been accepted and is necessary to fully determine the cost and way forward with tradewaste treatment.	\$ 40,000	\$ 25,000	\$ 65,000
8	Review of Critical Planning Instruments	Stantec		Watching brief of statutory planning framework. HRC PC2 and NPS Freshwater and soils, has required PNCC to review and submit. Will involve hearing and specialist expertise necessary to deliver submission and evidence.	\$ 100,000		\$ 100,000
9	Engagement Support	Stantec	\$ 40,000	Main engagement stage of project to occur in the 3rd Qtr, in alignment with the Options development phase and prior to MCA. This requires consultant input to prepare material and attend stakeholder meetings/events. 4 week engagement process. Preparation of engagement plan was needed.	\$ 100,000	\$ 40,000	\$ 140,000
15	Identify and Confirm Shortlist Options Assessment Criteria	Stantec	\$ 25,000	This work was undertaken in the 2018/2019 FY and can be moved to another workstream			
16	Development of Shortlist Options	Stantec	\$ 200,000	WP needed to deliver the shortlist options includes Treatment solutions (\$100k), Options Desktop analysis process (\$170k), Ocean outfall (\$20k), specialist input for river health (\$30k) Property advice (\$30k) and archaeological specialist advice (\$60k)	\$ 240,800	\$ 169,200	\$ 410,000
16A	Field Investigations	Stantec	\$ -	Field investigations are proposed in the 2020/2021FY. This is delayed in order to confirm if required as part of MCA process (post 30 June 2020) or only once the BPO is confirmed. This may consist of either land/field drilling and soil samples, ocean or river investigations.	\$ -	\$ -	\$ -
17	Comparative Effects and Statutory Assessment of Shortlist	Stantec	\$ 125,000	This work is yet to be completed and may be undertaken in the 2020/2021 FY.			\$ -
18	MCA Decision Making Process to Identify BPO	Stantec	\$ 10,000	A majority of this work will be undertaken in the 2020/21 FY. A fee is associated with scoping the MCA process and will be undertaken in			\$ -
22	Review of Financial Options	Consultant	\$ -	This work was not previously accounted for and has been driven by PSG Chair and CE as a requirement for the Project.	\$ 30,000		\$ 30,000
23	Wetland Design and Objectives	Consultant	\$ -	This work was not previously accounted for and has been driven by the One Plan requirements and collaboratively with Rangitane. Requires technical input from Stantec, Aquanet and specialists in wetland management.	\$ 30,000	\$ 30,000	\$ 60,000
PNCC Support costs							
1	Project Management (refer to Consultant above)	PNCC	\$ -				
		Consultant	\$ 80,000	PSG Chairperson fees and Rangitane included in this budget. Requires increase to accommodate Rangitane within this budget.	\$ 70,000	\$ 18,000	\$ 88,000
		Rangitane	\$ 8,000				
2	PSG meetings	Consultant	\$ 8,000	Expected there will be costs associated with holding workshops and/or hui with neighbouring iwi.		\$ 28,000	\$ 28,000
3	Workshop and Hui	PNCC/Other	\$ 20,000				
4	Communications and Engagement	Comms Department	\$ 140,000	Additional funding sought by communications department has been costed separately. Costs sought for the FY include technical and internal support to deliver the Stakeholder Engagement Plan, External Iwi Advisor, communications which is a portion of costs for minimal communications that supports the consultation process (not education or media campaigns).			\$ -
		Internal Costs	\$ 135,000				\$ -
5	River Monitoring and Support	Consultant	\$ 14,000	Costs associated with River monitoring are covered in WP6+ fee estimates above. This cost is removed from overall budget			\$ -
		PNCC	\$ 40,000				
6	Field Trips	PNCC	\$ 10,000	Excluded as it covered in PSG activities above.			\$ -
7	Peer Reviews	MOH/Mac	\$ -	Based on the extent of review requested by the PSG Chair, a majority of deliverables will be reviewed by Mott MacDonald. This requires substantially more time and costs allocated to Peer review than previously envisaged. Review is dependent on the scale of work produced.	\$ 70,000		\$ 70,000
		PNCC	\$ 40,000				
8	Legal Engagement	Legal	\$ 20,000	Legal costs have not been costed out for years prior to lodgement. It was agreed at PSG that the Legal Advisor would be involved throughout the process. Involvement in PC2 and NPS FW is required this FY and review of preliminary AEE document	\$ 30,000	\$ 30,000	\$ 60,000
		PNCC	\$ 2,000				
9	Consent Support	Consultant	\$ -			\$ -	
		PNCC	\$ -				
Sub-total FY Q's			\$ 902,000				
			\$ 450,000				
Total FY's							
TOTAL			\$ 1,352,000	TOTAL	\$ 1,120,800	\$ 355,200	\$ 1,476,000
2015-2025 LTP Budgets				2018-2028 LTP Budgets	\$ 1,120,800		\$ 1,120,800
Budget Shortfall					\$ -		\$ 355,200

REPORT

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: PNCC Animal Shelter Options

PRESENTED BY: Bryce Hosking, Manager - Property

APPROVED BY: Tom Williams, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council agrees to proceed with Option 2 and builds a new Animal Shelter next to the existing facility in Totara Road, Palmerston North for \$2,925,919 + GST. This will be a multi-year Programme split over the 2020/21 and 2021/22 financial years.

The proposed programme budget (not currently budgeted for) will be split:

2020/21 \$300,000 – Design and Consent Phase

2021/22 \$2,625,919 – Construction Phase

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	In its current state the existing animal shelter does not meet all requirements of the Code of Welfare for the Temporary Housing of Companion Animals. Council has several options to address this.
OPTION 1:	Refurbishment of Existing Facility
Community Views	<ul style="list-style-type: none"> • Good location of current facility and easy to access. • Improved animal welfare is generally well supported.
Benefits	<ul style="list-style-type: none"> • Location retained. • Will meet new minimum standards of code of welfare requirements.
Risks	<ul style="list-style-type: none"> • Unable to accommodate education space and re-homing area within the space. • Significant works to be completed. • Would cause disruption as operations would have to relocate to another site during works. • Unbudgeted expense.
Financial	\$2,608,898 + GST and temporary relocation costs.
OPTION 2:	Build a New Facility
Community Views	<ul style="list-style-type: none"> • Good location of current facility and easy to access. • Improved animal welfare is generally well supported.
Benefits	<ul style="list-style-type: none"> • Location retained as building next to current facility. • No disruption to existing operations. • Able to fully comply with new code of welfare requirements. • Able to accommodate education space and re-homing area within the space.
Risks	<ul style="list-style-type: none"> • Unbudgeted expense.
Financial	\$2,925,919 + GST.
OPTION 3:	Share Facility with Another Council
Community Views	<ul style="list-style-type: none"> • Opportunity to save money generally viewed favourably. • Improved animal welfare is generally well supported.
Benefits	<ul style="list-style-type: none"> • Opportunity to save money through a combined facility and

	<p>refurbishment costs being shared.</p> <ul style="list-style-type: none"> • Shared operational costs. • Ensuring excellent facilities for Manawatu region, not just those in Palmerston North area.
Risks	<ul style="list-style-type: none"> • Less control, another stakeholder. • No interest in concept from MDC. • Suitable land may not be available in an appropriate location. • Potential decrease in responsiveness and customer centricity caused by geographical dislocation.
Financial	Estimated to be around \$2,000,000 + GST.
OPTION 4:	Outsource Service to a Private Supplier
Community Views	<ul style="list-style-type: none"> • Opportunity to save money generally viewed favourably. • Improved animal welfare is generally well supported.
Benefits	<ul style="list-style-type: none"> • Opportunity to save money through using a private facility. • Potential for lesser and fixed operational costs.
Risks	<ul style="list-style-type: none"> • Less control, another stakeholder. • No suitable options identified. • Would require relocation of services.
Financial	Estimated to be \$7,500 a month retainer and \$20.00 per dog per day charge to the Council from the private provider.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 Council Officers in conjunction with consultants from WSP have reviewed the condition of the Council animal shelter and compared it against the new code of welfare amendment for the Temporary Housing for Companion Animals, to assess if the facility is fit for purpose.
- 1.2 A condition assessment of the facility was completed, and stakeholders consulted to understand what changes are required at the facility to meet both the code and user needs.

- 1.3 Information gathered from the condition assessment and received from staff confirms that the facility no longer meets the needs of the user and will require significant work to meet the code of welfare amendment.
- 1.4 Four Options were considered when assessing the future of the facility:
 1. Refurbishment of existing facility;
 2. New facility;
 3. Share facility with another Council;
 4. Outsource service to a private supplier.
- 1.5 In addition to ensuring that the animal shelter meets the requirements of the new Code of Welfare, Council Officers are wanting to expand the service that is provided from the facility to include an education space and re-homing area.
- 1.6 This expansion of services will require the facility to have an office area large enough to accommodate between six – eight staff at any one time and a meeting space to hold up to 30 people.
- 1.7 Council Officers engaged WSP to provide a report to assist in the decision making around the future of the city's existing animal shelter by:
 - Data collection and scoping;
 - Analysis and Optioneering; and
 - Costing.
- 1.8 The report from WSP has formed the basis of this report and is attached for reference.
- 1.9 For clarity, there is currently no budget for any of the options within this report. Whichever option is chosen by Council will also require an approved additional budget as part of the 2020/21 Annual Budget process and following Long Term Plan.
- 1.10 The building and costs of meeting the new legislative requirements will materially increase the costs currently funded as part of the Animal Control activity. This will necessitate a review of the Revenue and Financing Policy as part of the 2021-2031 Long Term Plan process.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

Code of Welfare Amendment – Temporary Housing for Companion Animals

- 2.1 On the 1st October 2018 a new Code of Welfare amendment, "Temporary Housing for Companion Animals", came into effect.

- 2.2 The purpose of this Code is to inform those in charge of animals in temporary accommodation about the standards they must achieve to meet their obligations under the Animal Welfare Act 1999.
- 2.3 A review and condition grade of Council's facility found that the existing facility, in its current state, did not meet these obligations.
- 2.4 Key changes in the new animal welfare code state that the temporary housing of companion animal facilities must contain an "isolation" area to help prevent the spread of infectious diseases and infections.
- 2.5 This area needs to be accessed separately from other entry points into the facility which are used by other animals.
- 2.6 The facility also requires a "health assessment" room so that upon arrival, each animal can be assessed before entering the facility.
- 2.7 There is a need for the facility to be able to safely handle dangerous dogs. This area is to be located away from the main housing area.

Assessment of Existing Facility

- 2.8 A detailed condition assessment was completed to understand the condition of the facility and identify any significant defects.
- 2.9 The data recorded from the condition assessment was compared against standards in the new Animal Welfare Code criteria.
- 2.10 The new welfare standards include, but is not limited to, lighting, heating/ventilation, isolation management, disease prevention and management and safety.
- 2.11 Nine standards detailed in the new animal welfare code relate directly to the physical structure of the facility.
- 2.12 In its current state, only two of these standards are being fully meet.
- 2.13 The standards in the new code which are not being meet will require significant renewal works for the facility to comply with these new changes.
- 2.14 In addition to ensuring that the animal shelter meets the requirements of the new Code of Welfare, Council are wanting to expand the service that is provided from the facility to include an education space and re-homing area. This will require the facility to have an office area large enough to accommodate between six – eight staff at any one time and a meeting space to hold up to 30 people.
- 2.15 The below table provides a summary of the findings:

Minimum Welfare Standards	Complies	Doesn't Comply
Drinking water for Terrestrial Animals	✓	
Assessment on Admittance		✓
Contagious Diseases		✓
Providing for Behavioural Needs		✓
Housing Design and Construction		✓
General Facility Management		✓
Temperature		✓
Lighting	✓	
Isolation Management		✓

- 2.16 The analysis of the existing facility in its current state no longer meets the needs of its users, and the size of the facility is not large enough to accommodate all that is now required under the new code of welfare.

3. DESCRIPTION OF OPTIONS

- 3.1 Four Options were considered when assessing the future of the facility:

1. Refurbishment of existing facility – Undertake substantial refurbishment works to meet code requirements;
2. Build a new facility – build a new purpose-built facility on Council-owned land next to the existing facility;
3. Share facility with another Council – relocate to a shared facility with another Council; and
4. Outsource service to a private supplier – a private organisation to run the facility on Council's behalf from a private facility.

4. ANALYSIS OF OPTIONS

Refurbishment of Existing Facility

- 4.1 The current location is well established. It sits on the town boundary in an area which has enough distance from residential housing to mitigate noise but is easily accessible by members of the public and staff.
- 4.2 Although the location of the facility has not been identified as a concern, there are several areas of the facility that have been identified by Council Officers as requiring improvement including:
- The office area currently can accommodate two staff comfortably. There is now a need to be able to accommodate between six – eight staff. Due to the increased staff numbers the size of bathroom and kitchen facilities will also need increasing.
 - Officers have expressed a desire to be able host meetings on site and hold education/rehoming sessions. To achieve this there will need to be a significant addition to the facility.
 - Officers have also expressed concern regarding the extreme noise levels. Upon arrival “ear plugs” are made available as a mitigation measure.
- 4.3 In addition to these concerns, the new requirements of the Temporary Housing of Companion Animals, Code of Welfare, has highlight several areas that need significant upgrades. These are summarised in the below table.

Minimum Welfare Standards	Complies	Doesn't Comply	Solutions
Drinking water for Terrestrial Animals	✓		
Assessment on Admittance		✓	Can only be accommodated with a significant extension.
Contagious Diseases		✓	Can only be accommodated with a significant extension.
Providing for Behavioural Needs		✓	Parts of this could be meet by significant upgrades incl. kennel layout changes.

PALMERSTON NORTH CITY COUNCIL

			To achieve the correct kennel size requirements the kennels will require complete rebuilding.
Housing Design and Construction		✓	<p>Parts of this could be meet by significant upgrades incl. replacement drains, kennel layout changes.</p> <p>To achieve the new drainage standards, the concrete floor will require replacement.</p>
General Facility Management		✓	Parts of this could be meet by significant upgrades incl. replacement drains, kennel layout changes.
Temperature		✓	<p>Due to the construction of the building this standard is unachievable.</p> <p>To achieve the required temperature levels the facility will require re-roofing.</p>
Lighting	✓		
Isolation Management		✓	Can only be accommodated with a significant extension.

- 4.4 Note the above solutions achieve the minimum work required to achieve compliance and just the refurbishment of the existing kennels, which will require demolition then rebuilding.
- 4.5 For clarity, this will not provide any of the enhanced user requirements (refurbished/enlarged office space, education etc.) as these cannot be accommodated within the existing building space once compliance matters are achieved.
- 4.6 In summary, given the level of works required this work amounts to effectively a new facility, therefore a refurbishment of the existing facility is not considered viable as the costs would be the same or greater, once temporary re-location is considered during the refurbish works.

4.7 Below are the estimate costings for this option:

Area/ Component	Estimate Cost (excl. GST)
Design and Consent Provision	\$300,000
Kennels and Associated Spaces	\$1,184,000
Staff and Public Area (Front of House)	\$42,750
Staff Only Area (Back of House)	\$257,400
Exterior Works	\$262,425
Demolition Costs – Kennel Area	\$138,240
Contingency	\$424,083
Total	\$2,608,898 + GST

4.8 Please note:

- No allowance has been made for loss of business during the refurbishment or costs associated with relocating the service to another site during works.
- These would be additional costs to the above as they hard to determine until a programme of works and timelines are finalised. This will likely make the total costs greater than Option Two (re-build).
- An increased contingency of 20% (vs. 15% for option 2 – a New built facility) has been applied for this option to allow for the inherent increased risk of unforeseen issues and emergent work.

4.9 Please refer to the attached report from WSP for a more thorough breakdown of costings.

New Facility

4.10 As mentioned above, the location of the existing facility has not been identified as a concern by staff. The facility currently sits within the town boundary and is easily accessible by both staff and members of the public.

4.11 There is land adjacent to the existing animal shelter that could be made available for the construction of a new facility.



- 4.12 A new facility being constructed adjacent to the existing would mean that “business as usual” could continue.
- 4.13 There would be no time pressure or cost of having to make alternative arrangements to keep the animal shelter operating from another site whilst the new facility was being built.
- 4.14 Construction of a new facility would meet all requirements detailed in the Temporary Housing of Companion Animals, Code of Welfare and the increased levels of service now required by PNCC.
- 4.15 A new facility would allow for the creation of dedicated, fit-for purpose spaces, located in such a way that isolation and spread of disease and can be effectively managed by staff as well as the use of best-practise materials to achieve temperature improvements etc.
- 4.16 Below are the estimate costings for this option:

Area/ Component	Estimate Cost (excl. GST)
Design and Consent Provision	\$300,000
Kennels and Associated Spaces	\$1,184,000
Staff and Public Area (Front of House)	\$531,000
Staff Only Area (Back of House)	\$257,400

Exterior Works	\$262,425
Contingency	\$391,094
Total	\$2,925,919 + GST

4.17 Please note the above figures exclude relocation costs to the new site once built. This was done to provide an accurate comparison with option 1.

4.18 Please refer to the attached report from WSP for a more thorough breakdown of costings as well as concept sketches, layout, and proposal of construction materials.

Share Facility with another Council

4.19 The only other council in close enough geographic proximity is Manawatu District Council (MDC).

4.20 Council would essentially have three location opportunities within this option:

- Base the facility at the current MDC location;
- Base the shared facility at the current PNCC location; or
- Built a new facility relocation to a more central location within the region.

4.21 Given the shared facility would be servicing the entire Manawatu and Palmerston North catchment area the most practical option would be the relocation to a more central area within the region and build a new facility. This created a risk of a potential decrease in responsiveness and customer centricity caused by a geographical dislocation

4.22 As a new facility would be built to meet user requirements it is expected the construction costs would be the same as detailed in Clause 4.16 above.

4.23 As the facility would likely be relocated, suitable land would likely need to be purchased for this move. This would be in addition to the construction costs. There would also be a risk of not being able to find suitable land for purchase.

4.24 Being a shared facility, the ownership split, and financial contribution towards the combined land purchase and construction costs, would need to be negotiated.

4.25 To allow a financial comparison between the options within this report, if a 60% contribution towards the new shared facility is assumed, PNCC's contribution could be estimated to be close to \$2,000,000.

4.26 Council Officers have approached MDC regarding a shared facility and undertaken a high-level review of requirements with them. Unfortunately, the concept was

rejected by MDC, stating that “...they had spent some money and their pound now complies with the relevant animal welfare standards” so were not interested in proceeding with a shared facility.

Outsource Service to a Private Supplier

- 4.27 Five private boarding kennels were spoken to seeking interest in managing a “pound” facility on behalf of Council.
- 4.28 From the five kennels that were approached only one kennel showed a willingness to become involved.
- 4.29 This kennel wasn’t a suitable fit due to the size of the facility and its location to the city. The Council provided information to the kennel on the requirements in terms of compliance to the Welfare Code, but the kennel decided against continuing dialog due to the size of the financial investment required. For example, extra security fencing, cameras, isolation unit and quarantine etc.
- 4.30 Given the lack of available options, determining the exact cost of outsourcing was not progressed. However, a similar operation in Dunedin operates roughly on a \$7,500 a month retainer and \$20.00 per dog per day charge to the Council. It would be expected that a similar cost would be opted here.

5. CONCLUSION

- 5.1 A condition assessment of the facility was completed, and stakeholders consulted to compare it against:
 - 1. The new code of welfare amendment for the Temporary Housing for Companion Animals; and
 - 2. Enhanced user requirements to meet the desired levels of service delivery.
- 5.2 This assessment demonstrates that the facility no longer meets the needs of the user and will require significant work to meet the code of welfare amendment.
- 5.3 A refurbishment schedule and associated costings for Option One to upgrade the existing facility to meet the new code of welfare has been compiled. This also includes additions to provide the extra staff and enhanced service provision facilities (education / re-homing space).
- 5.4 It is not possible to meet all the requirements without effectively fully re-building on an element by element basis.
- 5.5 For Option Two a high-level design of a new facility incorporating all that is required both legally by the code of welfare and for the enhanced service delivery

requirements has been completed and costed. The costings are based on building on the land already owned by Council.

- 5.6 The cost for Option One refurbishment of the existing facility is only marginally less than the cost of Option Two building a new purpose-built facility, which does not include hidden costs associated with refurbishing the facility such as loss of business or relocating the shelter to another facility while the refurbishment work is being undertaken.
- 5.7 Options Three and Four were investigated by Council Officers and found that neither of these options were considered suitable. From review of the available documents, WSP agrees with the Council Officer's conclusion.
- 5.8 In conclusion, the costs to achieve a purpose-built animal shelter that incorporates all requirements of the new code and meets the enhanced service delivery requirements are only marginally higher than refurbishing the existing. It is felt that the result of what a new building achieves outweighs the extra costs in terms of having a compliant, fit for purpose facility.
- 5.9 Therefore, it is our recommendation that Option Two to build a new facility is progressed as the preferred option.

6. NEXT ACTIONS

- 6.1 Begin designs for a new Animal Shelter in 2020/21 financial year that meets all requirements under the new Code of Welfare and ensure that it can accommodate a new education and rehoming area.
- 6.2 Commission a Quantity Surveyor as part of the above to confirm build costs estimates based on the initial design to ensure accurate budgeting for the 2021/22 financial year.
- 6.3 Begin construction in 2021/22.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 7.1 No specific consultation has been undertaken with the public to determine their preferred option, however, the Safe Community Plan provides clear direction that Council will *'Plan and implement upgrade of the City Pound to comply with requirements of MPI Code of Welfare Temporary Housing of Companion Animals, including necessary security improvements.'*

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 3: A Connected and Safe Community	
The recommendations contribute to the outcomes of the Connected Community Strategy	
The recommendations contribute to the achievement of action/actions in the Safe Community Plan	
The action is to: Plan and implement upgrade of the City Pound to comply with requirements of MPI Code of Welfare Temporary Housing of Companion Animals, including necessary security improvements.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Plan and implement upgrade of the City Pound to comply with requirements of MPI Code of Welfare Temporary Housing of Companion Animals, including necessary security improvements.

ATTACHMENTS

1. WSP Report - PNCC Animal Shelter Options - January 2020 [!\[\]\(444b1eae2189e5cd8d096594c07a0a6e_img.jpg\)](#) 

Project Number: 5-P1338.00

Palmerston North City Council Animal Shelter Options Report

Assessment of the current facility and options for meeting the future requirements for the provision of temporary animal sheltering

10 January 2020



wsp



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1 Executive Summary

WSP have been commissioned by Palmerston North City Council (PNCC) to review the Council's animal shelter to assess if the facility is fit for purpose.

A condition assessment of the facility was completed, and stakeholders consulted to compare it against: 1) the new code of welfare amendment for the Temporary Housing for Companion Animals and, 2) enhanced user requirements to meet the desired levels of service delivery.

This assessment demonstrates that the facility no longer meets the needs of the user and will require significant work to meet the code of welfare amendment.

Four Options were considered when assessing the future of the facility –

Option One: Refurbishment of existing facility

Option Two: New facility

Option Three: Share facility with another Council

Option Four: Outsource service to a private supplier

A refurbishment schedule and associated costings for Option One to upgrade the existing facility to meet the new code of welfare has been compiled. This also includes additions to provide the extra staff and enhanced service provision facilities (education / re-homing space). It is not possible to meet all the requirements without effectively fully re-building on an element by element basis.

For Option Two a high-level design of a new facility incorporating all that is required both legally by the code of welfare and for the enhanced service delivery requirements has been completed and costed. The costings are based on building on the land which we understand is available free of cost adjacent to the existing facility.

The cost for Option One refurbishment of the existing facility is only marginally less than the cost of Option 2 building a new purpose-built facility, which does not include hidden costs associated with refurbishing the facility such as loss of business or relocating the shelter to another facility while the refurbishment work is being undertaken.

Options Three and Four were investigated by Council Officers and found that neither of these options were considered suitable. From review of the available documents, WSP agrees with the Council Officer's conclusion.

In conclusion, the costs to achieve a purpose-built animal shelter that incorporates all requirements of the new code and meets the enhanced service delivery requirements are only marginally higher than refurbishing the existing. It is felt that the end result of what a new building achieves outweighs the extra costs in terms of having a compliant, fit for purpose facility.

Therefore, it is our recommendation that Option Two to build a new facility is progressed as the preferred option.

2 Introduction

This report has been produced for PNCC to assist in the decision making around the future of the city's existing animal shelter.

In its current state the animal shelter does not meet all requirements of those laid out in the Code of Welfare for the Temporary Housing of Companion Animals.

Initial work completed by PNCC considered that there were 4 main options that required further assessment through an options report. These are:

- Option One: Refurbishment of existing facility
- Option Two: New Facility
- Option Three: Share facility with another Council
- Option Four: Outsource service to a private supplier

WSP completed a 3-stage process to assess the options.

- Stage 1: Data collection and scoping
- Stage 2: Analysis and Optioneering / Concept designs
- Stage 3: Costing

This information has formed basis of this report.

3 Background

On the 1st October 2018 a new Code of Welfare amendment, "Temporary Housing for Companion Animals", came into effect.

The purpose of this Code is to inform those in charge of animals in temporary accommodation about the standards they must achieve to meet their obligations under the Animal Welfare Act 1999.

A review and condition grade of the facility found that the existing facility, in its current state, did not meet these obligations.

In addition, PNCC are wishing to expand the service that is provided from the facility to include an education space and re-homing area. This will require the facility to have an office area large enough to accommodate between six - eight staff at any one time and a meeting space to hold up to 30 people.

A qualitative assessment has been completed of Option One, refurbishment of existing facility, which demonstrates difficulties in upgrading it in an effective manner to meet even the basic requirements of the code. An indicative cost assessment of undertaking the refurbishment has also been made.

An outline scheme and rough order of cost estimate has been completed for Option Two, new facility.

PNCC has completed its own investigation into Option Three, share a facility with another Council and Option Four, outsource the service to a private supplier. WSP have conducted a review on this work and agree with the PNCC conclusions that neither of these options appear feasible.

4 Data Collection / Analysis

A detailed condition assessment was completed to understand the condition of the facility and identify any significant defects.

The data recorded from the condition assessment was compared against the standards in the new Animal Welfare Code criteria.

An on-site meeting was held with the Team Leader, Animal Management and Education, and other relevant staff. The purpose of this meeting was to understand how the existing facility did or did not meet the needs of staff and what the requirements are for the new education / meeting space and re-homing area.

4.1 Analysis of existing facility

Criteria from the new animal welfare code formed the basis of the condition assessment review. The data collection information is attached as Appendix A.

The new standards include, but are not limited to, lighting, heating / ventilation, isolation management, disease prevention and management and safety. Nine standards detailed in the new animal welfare code relate directly to the physical structure of the facility.

In its current state, only two of these standards are being fully met, see Table One.

The standards in the new code which are not being met will require significant re-work for the facility to be made compliant.

A key aspect is the requirement for an isolation area to allow for animals that have infectious diseases to be removed from the other animals, treated and kept in a separate area. Also, a health assessment is to be completed on all animals when they first arrive. This area is to be located at the entrance of the facility so that this assessment can be completed before entering the main area of the facility.

In its current state, the facility is not large enough to be able to accommodate either of these extra rooms without a significant extension.

In addition to the new requirements of the animal welfare code the existing structure will need significant upgrades to meet new building code standards.

Heating and ventilation in its current state is a major concern. The guidelines state that "temperatures must be maintained at a level that provides for the health and welfare of the animals, as appropriate to the species". The optimum temperature should be between 15 – 26 degrees.

Temperatures are currently monitored between 37.5 degrees in the Summer and 2.3 degrees in the Winter.

Measures have been put in place to try to maintain more appropriate temperatures levels however these measures have been more focused on warming or cooling the animal as opposed to maintaining an appropriate temperature throughout the facility.

The current construction of the facility makes meeting this standard unachievable.

The existing drainage at the facility requires significant upgrade. The drains are exposed and run open from one kennel into another. This allows for animal faeces to be spread between kennels allowing the spread of disease. The grating on the drains have exposed sharp edges which can cause harm to the animals.

A complete replacement drainage system is required to eliminate these issues.

The existing kennels are no longer fit for purpose and require several changes to meet new code requirements.

At a minimum, the new code requires that kennels should be separated by partitions that have both a solid wall and a part where the animals are able to have visual access to each other, allowing dogs the choice of contact.

All outside entrances should be double-door “mantraps”. This entails having sufficient space between the doors, allowing one door to be closed behind the person entering before the next door is opened, avoiding escaping.

Observation windows should be provided in enclosures to enable the animals to be watched as necessary without disturbance.

The sleeping areas in the existing kennels are considered too small and although would be suitable for smaller animals, large dogs would struggle to lay down comfortably. The general principle is that dogs should be able to have enough room to allow them to stand up, turn around and lie down comfortably. They must be able to toilet away from their sleeping area.

The opportunity to increase the size of the existing kennels could be accommodated by combining existing kennels together to make a larger kennel. This would in turn reduce the overall number of kennels available for use.

Discussion had with kennel staff indicate that the 40 kennels currently available is the right number.

From the analysis of the existing facility, in its current state it no longer meets the requirements of the code or the needs of its users. The size of the facility is not large enough to accommodate all that is now required under the new code of welfare.

Table One: Summary of findings from data collection / analysis

Minimum Standards		Complies	Doesn't Comply
Ref	Item		
3	Drinking water for Terrestrial Animals	✓	
4	Assessment on Admittance		✓
6	Contagious Diseases		✓
7	Providing for Behavioural Needs		✓
8	Housing Design and Construction		✓
9	General Facility Management		✓
10	Temperature		✓
11	Lighting	✓	
	Isolation Management		✓

4.2 Analysis of Councils own data collection

Work has been completed by Council officer's investigating sharing an animal welfare facility or outsourcing the service to a private supplier.

4.2.1 Shared Facility

In line with PNCC's investigations, it has been concluded that sharing an animal welfare facility was not a viable option.

The only other council in close enough geographic proximity is Manawatu District Council (MDC). PNCC have approached MDC regarding a shared facility and undertaken a high-level review which concluded it to be unviable.

This information is attached as *Appendix B*.

4.2.2 *Outsourcing to a private supplier*

Five private boarding kennels were spoken to seeking interest in managing a “pound” facility on behalf of Council.

From the five kennels that were approached only one kennel showed a willingness to become involved.

This kennel wasn’t a suitable fit due to the size of the facility and its location to the city. The Council provided information to the kennel on the requirements in terms of compliance to the Welfare Code, but the kennel decided against continuing dialog due to the size of the financial investment required.

This information is attached as *Appendix C*.

5 Options

The current location is well established. It sits on the town boundary in an area which has enough distance from residential housing to mitigate noise but is easily accessible by members of the public and staff.

Key changes in the new animal welfare code state that the temporary housing of companion animal facilities must contain an “isolation” area to help prevent the spread of infectious diseases and infections.

This area needs to be accessed separately from other entry points into the facility which are used by other animals.

The facility also requires a “health assessment” room so that upon arrival, each animal can be assessed before entering the facility.

There is a need for the facility to be able to safely handle dangerous dogs. This area is to be located away from the main housing area.

In addition to these new requirements, PNCC staff now require space for an education and re-homing area large enough to hold up to 30 people, and an office area to accommodate between six - eight staff at any one time.

Figure One: Photograph of site.



5.1 Option One – Refurbishment of existing facility

Although the location of the facility has not been identified as a concern there are several areas of the facility, that have been raised by the staff, as requiring improvement.

The office area currently can accommodate two staff comfortably. There is now a need to be able to accommodate between six – eight staff. Due to the increased staff numbers the size of bathroom and kitchen facilities will also need increasing.

PNCC has expressed a desire to be able host meetings on site and hold education/rehoming sessions. To achieve this there will need to be a significant addition to the facility.

Staff have also expressed concern regarding the extreme noise levels. Upon arrival “ear plugs” are made available as a mitigation measure.

In addition to these concerns, the new requirements of the Temporary Housing of Companion Animals, Code of Welfare, has highlight several areas that need significant upgrades.

These areas were identified reviewing the data collected from comparing the facility against new requirements of the code, and discussions with key staff, as detailed in Section 4.1. The works required are summarised in Table Two.

Table Two: Summary of findings from data collection / analysis including solutions

Minimum Standards		Complies	Doesn't Comply	Solutions
Ref	Item			
3	Drinking water for Terrestrial Animals	✓		
4	Assessment on Admittance		✓	This standard can only be accommodated with a significant extension
6	Contagious Diseases		✓	This standard can only be accommodated with a significant extension
7	Providing for Behavioural Needs		✓	Parts of this standard could be met by with significant upgrades incl. kennel layout changes
8	Housing Design and Construction		✓	Parts of this standard could be met by with significant upgrades incl. replacement drains, kennel layout changes
9	General Facility Management		✓	Parts of this standard could be met by with significant upgrades incl. replacement drains, kennel layout changes
10	Temperature		✓	Due to the construction of the building this standard is unachievable
11	Lighting	✓		
	Isolation Management		✓	This standard can only be accommodated with a significant extension

To achieve the new drainage standards, the concrete floor will require replacement.

To achieve the required temperature levels the facility will require re-roofing.

To achieve the correct kennel size requirements the kennels will require rebuilding.

For the existing facility to comply with all that is now required under the new code of welfare and for it to accommodate the increased level of service now required by PNCC, significant work and investment is required.

By inspection this work is effectively a new facility, therefore a refurbishment of the existing facility is not considered viable as the costs would be the same or greater, once temporary re-location is considered during the refurbish works.

5.1.1 Area Schedule and Cost Estimates

Figure Two outline the estimated costs to refurbish the existing kennels to meet the requirements of the Code of Welfare for the Temporary Housing of Companion Animals.

The figures also include costs of refurbishing the existing office spaces, costs to increase areas to accommodate extra staffing areas, exterior works and demolition costs. The total cost is estimated at \$2.3M.

The minimum work required to achieve compliance is just the refurbishment of the existing kennels, which will require demolition then rebuilding (these items are itemised in the below cost build-up). For clarity, this will not provide any of the enhanced user requirements (refurbished / enlarged office space, education etc.). This cost can be extracted as circa \$1.6M, but would result in no upgrade of the staff or public areas, so is assumed to not be viable.

Also, there has been no allowance made for loss of business during the refurbishment phase or relocating the service to another site, which would therefore increase the total cost to PNCC. This will likely make the total costs greater than Option Two (re-build).

Figure Two: Refurbishment (Option One) cost table, refer to Appendix E for full size table

Item # / Area or Room Name	Area Description	Area (m2)	Rate (\$/m2)	Cost Estimate
Kennels & associated spaces				
1. Kennel 1	General classification dogs. Space for 10 enclosures, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
2. Kennel 2	General classification & dogs ready for adoption. Space for 10 enclosures, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
3. Kennel 3	Puppy & family specific unit. Space for 8 standard size enclosures for puppies & 2 double sized enclosures for family units, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
4. Kennel 4	Dangerous classification dogs & isolation unit	80	\$ 3,700.00	\$ 296,000.00
Sub-total (m2/\$)		320		\$ 1,184,000.00
Staff & public "front of house"				
5. Reception	Small Reception Space	4	\$ 750.00	\$ 3,000.00
6. Staff office	Sized for 4 people @ 4m2 per person	22	\$ 750.00	\$ 16,500.00
7. Hallway	Shared access hallway	22	\$ 750.00	\$ 16,500.00
8. Bathrooms	Staff facilities	6	\$ 750.00	\$ 4,500.00
9. Teamake / Lunch area	Staff facilities	3	\$ 750.00	\$ 2,250.00
Sub-total (m2/\$)		57		\$ 42,750.00
Staff only "back of house"				
11. Dog kitchen		4	\$ 3,900.00	\$ 15,600.00
12. Dog wash		2	\$ 3,900.00	\$ 7,800.00
13. Laundry	Space for small commercial washer, dryer, tub storage cupboard and work bench area	5	\$ 3,900.00	\$ 19,500.00
14. Chemical storage	Area for installation of proprietary cabinets	4	\$ 3,900.00	\$ 15,600.00
15. Staff lockers	Area for installation of 8x full height powdercoated lockers @ 1m2 per person	8	\$ 3,900.00	\$ 31,200.00
16. Van area (internal drop-off)		33	\$ 3,900.00	\$ 128,700.00
17. Storage (internal)		10	\$ 3,900.00	\$ 39,000.00
Sub-total (m2/\$)		66		\$ 257,400.00
Exterior works				
18. Public car parking area	Allowance for 6 car parks (2.5x5.4m) including 1 accessible (3.6x5.4m)	90	\$ 90.00	\$ 8,100.00
19. Staff parking area	Allowance for 8 car parks (2.5x5.4m)	108	\$ 90.00	\$ 9,720.00
20. Vehicle wash-down pad	Hardstand area with falls, drainage etc for van washdown (4x8m)	32	\$ 400.00	\$ 12,800.00
21. Storage area	Hardstand area for skip bins etc	10	\$ 90.00	\$ 900.00
22. Site services	General allowance (includes allowance for security fencing)			\$ 185,000.00
23. Exercise areas	Allowance for hardstand but could be grassed	90	\$ 90.00	\$ 8,100.00
24. Courtyard circulation & covered way	Hardstand with shade structure over	51	\$ 600.00	\$ 30,600.00
25. Courtyard landscaping	Grassed area with planting and trees	49	\$ 45.00	\$ 2,205.00
26. Soft landscaping	General allowance			\$ 5,000.00
Sub-total (m2/\$)		430		\$ 262,425.00
Demolition Costs				
5. Kennels & associated spaces		320	\$ 432.00	\$ 138,240.00
Sub-total (m2/\$)		320		\$ 138,240.00
Additional items				
27. Design contingency	2.50%			\$ 47,120.38
28. Construction contingency	20.00%			\$ 376,963.00
Sub-total				\$ 424,083.38
Total (m2/\$)		873		\$ 2,308,898.38

Note that an increased contingency of 20% for Option One refurbishment vs 15% Option Two new build has been included to allow for the inherent increased risk of unforeseen issues and emergent work, and thus cost of refurbishment vs new-build.

Note that the cost estimate above excludes the following:

- Goods and service tax.
- Consent fees and costs.
- Design consultant fees and costs.
- Insurances.
- Land purchase and associated costs.

- Furniture, fittings and equipment.
- Relocation and temporary facility costs.

5.2 Option Two – New Facility

5.2.1 *Description of Site*

The location of the existing facility has not been identified as a concern by staff. The facility currently sits within the town boundary and is easily accessible by both staff and members of the public.

There is land adjacent to the existing animal shelter that has been made available for the construction of a new facility.

A new facility being constructed adjacent to the existing would mean that “business as usual” could continue.

There would be no time pressure or cost of having to make alternative arrangements to keep the animal shelter operating from another site whilst the new facility was being built.

Construction of a new facility would meet all requirements detailed in the Temporary Housing of Companion Animals, Code of Welfare and the increased levels of service now required by PNCC.

5.2.2 *Design Philosophy*

The design philosophy for the new facility option has been largely driven by the Code of Welfare for the Temporary Housing of Companion Animals. This document outlines the performance requirements for facilities, which includes the following:

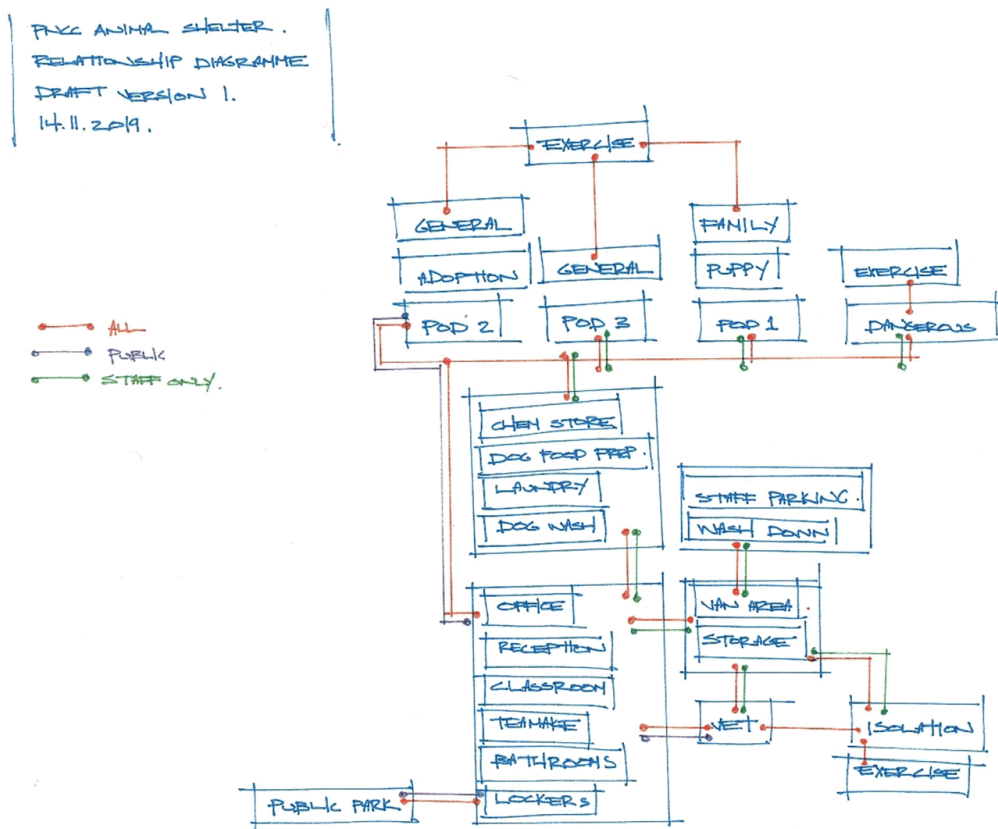
- Temperature
- Lighting
- Air and water quality
- Food and water
- Hygiene
- Isolation management

To comply with the requirements of the code, a new facility will require dedicated, fit-for-purpose spaces, located in such a way that isolation and spread of disease and can be effectively managed by staff

The spaces required to achieve compliance are outlined in Figure Six. while the construction type and materiality recommended is outlined in Section 5.2.4.

The following “space relationship diagram” in Figure Three has been created to inform the physical adjacency of spaces within a new facility for compliance against the hygiene and isolation management aspects of the code. Well considered placement of spaces within the facility can also be an enabler for high quality interactions between staff and the public and improved wellbeing for both staff and animals.

Figure Three: Space relationship diagram refer to Appendix D for full size A3 diagram



5.2.3 Drawings

The following illustration shows how the aforementioned design philosophy could be used to inform the physical adjacencies of spaces within the context of a new facility. The areas shown are based on the schedule outlined in Figure Six and have been arranged at scale in accordance with Figure Four.

The resulting arrangement of spaces creates a physical separation of the public and “private”, while allowing members of the public and staff to “flow” through the spaces appropriate to their level of need.

In the example texted below, the public entrance to the facility is located adjacent to a public parking area and is physically “screened” from staff back of house work areas including waste storage, vehicle wash-down and importantly from the vehicle entrance to the facility where dogs first interact with staff. Once the public enter the facility they can move through reception and begin their own interaction with both staff (including veterinarians for microchipping) and animals. The public area has a visual connection through to the animal housing areas and proposes an open exercise area between the adjacent kennel block, where the public can physically interact with dogs suitable for adoption and rehoming, without the need to venture deeper into the facility.

Staff enter the facility through back of house, and area that is adjacent to staff car parking, contains personnel lockers and has access to all other areas within the facility. The vehicle entrance allows animals to be safely and securely unloaded and is located with direct access to and isolation wing, dog wash and veterinarian services.

Individual blocks are arranged around a central open-air courtyard that contains a fenced and planted green space. The kennel runs would be positioned to face inwards to the courtyard, allowing the animals to experience natural light, fresh air, green space and affording the opportunity of social interaction with each other.

The open-air exercise areas are located between the kennels would allow staff to take animals out of the traditional caged run areas into a secured area with more personalised socialisation and human interactions. These areas double as natural breezeways, circulating air throughout the courtyard space into the caged kennel runs. Perforated screens provide both security to the site and allow air to permeate the facility perimeter. Fragrant species of plant could be located on the exterior side of the screens to both soften the public façade and perfume the air as it passes through into the courtyard.

The blocks have been arranged in such a way as to allow for future expansion of the facility as the cities need grows.

Figure Five is an artist's impression of what form and materiality the worked example in might take.

Figure Four: Concept layout refer to Appendix D for full size A3 drawing

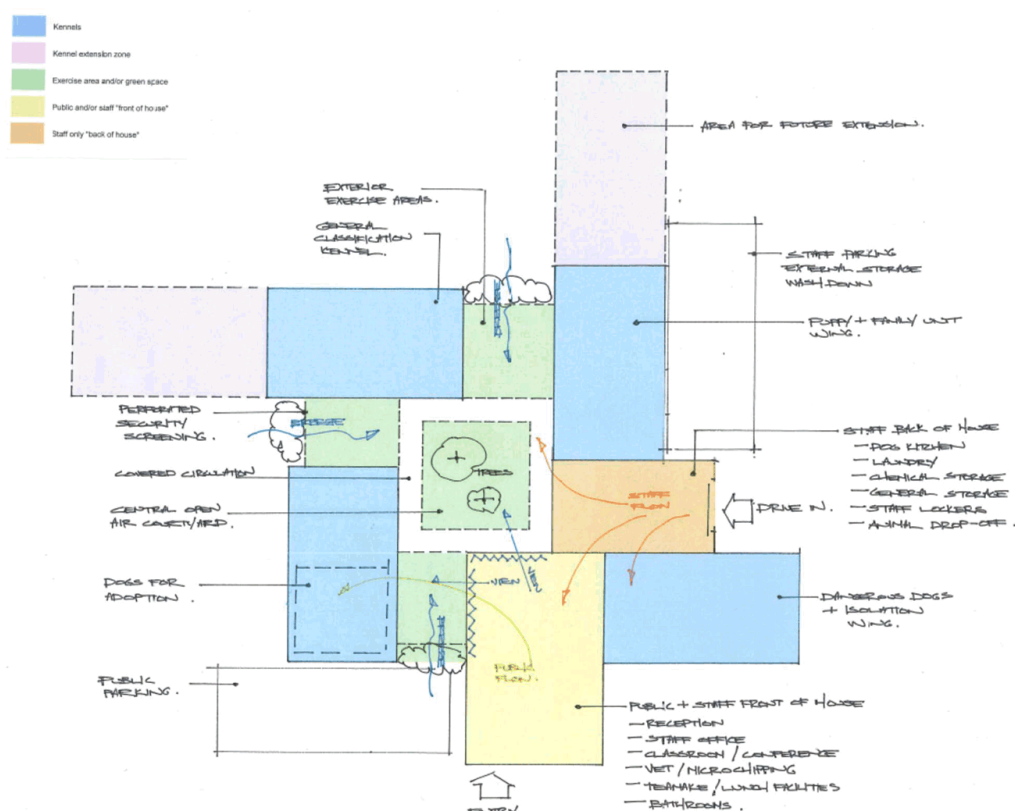
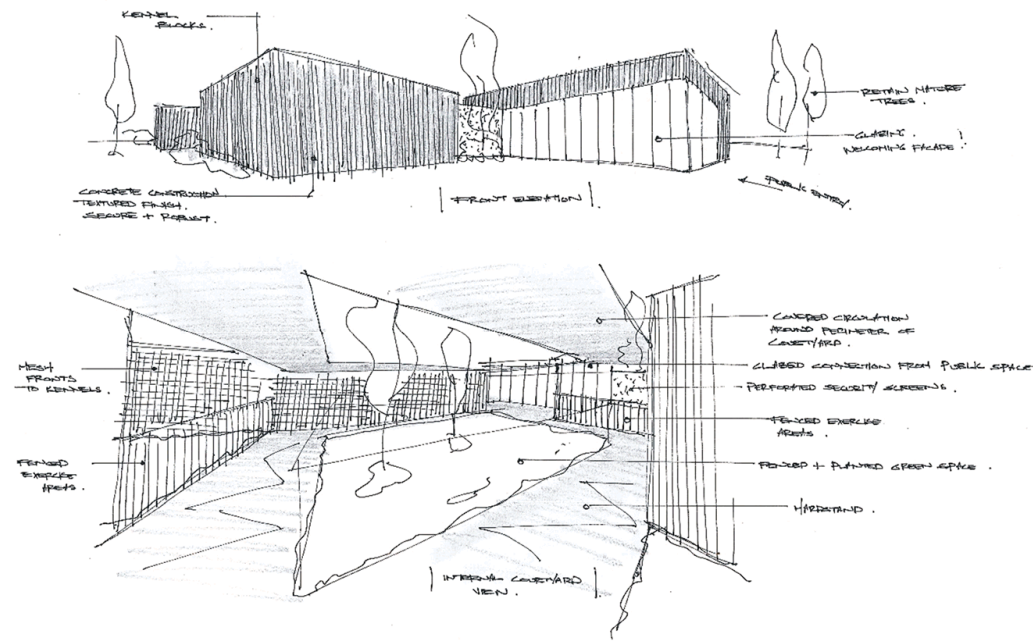



Figure Five: Artists impression refer to Appendix D for full size A3 drawing.




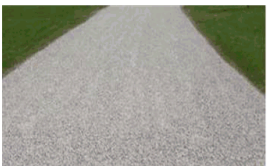


5.2.4 Construction Form

Table Three below outlines the construction form for a new build facility, which takes into account current best practice as described by PNCC staff and research into other similar facilities.

Table Three: Construction form

	Construction Method	Benefits
Kennels		
	Concrete tilt panels, steel framing and chain link netting to 1.8m high	Creates secure individual housing areas that have no direct line of sight
	Coated concrete floors.	Durable, cleanable and non-slip
	Plywood sarking, acoustic insulation and/or acoustic panelling	Reduced noise

Dog Runs		
	Coloursteel roofing	All weather access
	Concrete paving	All weather access
	1.8m Chain link fencing	Secure, natural airflow
Education Centre/Office Areas		
	Painted GIB finishes and carpet	Professional finish
	Open plan learning space	Multiuse space for up to 30 people
Vet Clinic Area		
	Non-slip vinyl	Safe use space
	Resco type wall materials	Easy to clean surfaces
	Stainless benches	Easy to clean surface
External Areas		
	Metalead access drive	Low cost drive entry
	Concrete paving	All weather access
	2.2m chain link security fencing	Secure and safe site

5.2.5 Area Schedule and Cost Estimate

The following figure outlines the spaces we believe are required to meet the requirements of the Code of Welfare for the Temporary Housing of Companion Animals. It also accounts for any spaces identified by the staff and stakeholders of the existing facility during the information. The total cost is estimated at \$2.6M.

The area allowance and square metre rates are based on a facility in Kihikihi, designed by WSP for Waipa District Council in 2016. Rates have been reviewed and adjusted by our quantity surveyor to account for cost escalation between 2016 and 2019.

Figure Six: New build (Option Two) cost table, refer to Appendix E for full size table.

Item # / Area or Room Name	Area Description	Area (m2)	Rate (\$/m2)	Cost Estimate
Kennels & associated spaces				
1. Kennel 1	General classification dogs. Space for 10 enclosures, run and circulation included	80	3700	296000
2. Kennel 2	General classification & dogs ready for adoption. Space for 10 enclosures, run and circulation included	80	3700	296000
3. Kennel 3	Puppy & family specific unit. Space for 6 standard size enclosures for puppies & 2 double sized enclosures for family units, run and circulation included	80	3700	296000
4. Kennel 4	Dangerous classification dogs & isolation unit	80	3700	296000
Sub-total (m2/\$)		320		1184000
Staff & public "front of house"				
5. Reception	Allows space for seating	8	4500	36000
6. Staff office	Sized for 8 people @ 4m2 per person	32	4500	144000
7. Classroom / Conference room	Sized for 30 people @ 2m2 per person	60	4500	270000
8. Bathrooms	Shared public and staff facilities	6	4500	27000
9. Teammake / Lunch area	Shared public and staff facilities	8	4500	36000
10. Vet & microchipping		4	4500	18000
Sub-total (m2/\$)		118		531000
Staff only "back of house"				
11. Dog kitchen		4	3900	15600
12. Dog wash		2	3900	7800
13. Laundry	Space for small commercial washer, dryer, tub storage cupboard and work bench area	5	3900	19500
14. Chemical storage	Area for installation of proprietary cabinets	4	3900	15600
15. Staff lockers	Area for installation of 8x full height powdercoated lockers @ 1m2 per person	8	3900	31200
16. Van area (internal drop-off)		33	3900	128700
17. Storage (internal)		10	3900	39000
Sub-total (m2/\$)		66		257400
Exterior works				
18. Public car parking area	Allowance for 6 car parks (2.5x5.4m) including 1 accessible (3.6x5.4m)	90	90	8100
19. Staff parking area	Allowance for 8 car parks (2.5x5.4m)	108	90	9720
20. Vehicle wash-down pad	Hardstand area with falls, drainage etc for van washdown (4x8m)	32	400	12800
21. Storage area	Hardstand area for skip bins etc	10	90	900
22. Site services	General allowance (includes allowance for security fencing)			185,000
23. Exercise areas	Allowance for hardstand but could be grassed	90	90	8100
24. Courtyard circulation & covered way	Hardstand with shade structure over	51	600	30600
25. Courtyard landscaping	Grassed area with planting and trees	49	45	2205
26. Soft landscaping	General allowance			5000
Sub-total (m2/\$)		430		262425
Additional items				
27. Design contingency	2.50%			55870.625
28. Construction contingency	15.00%			335223.75
Sub-total				391094
Total (m2/\$)		934		2825919

Note that the cost estimate above excludes the following:

- Goods and service tax.
- Consent fees and costs.
- Design consultant fees and costs.
- Insurances.
- Land purchase and associated costs.
- Furniture, fittings and equipment.
- Relocation costs.

5.3 Option Three – Partnering

PNCC Officers have undertaken investigations into partnering with another Council. The outcome of this work has concluded that sharing an animal welfare facility is not a viable option.

Please refer to section 4.2.1.

5.4 Option Four – Outsourcing

PNCC Officers have undertaken investigations into partnering with a private kennel company. The outcome is that

Please refer to section 4.2.2.

6 Conclusions and Recommendations

6.1 Conclusions

The report has found that only one option (Option Two, re-build) can fully meet the requirements as understood from the stakeholder engagement.

Council Officers have undertaken their own research into:

Option Three: Sharing facility with another Council

Option Four: Outsourcing the service to a private supplier

WSP concluded that in line with PNCC's own investigations that sharing an animal welfare facility or outsourcing it to a private supplier is not viable.

WSP completed a 3-stage process to assess the relevant options of:

Option One: Refurbishment of existing facility

Option Two: New Facility

Option One:

The analysis of the existing facility in its current state confirmed that the building no longer meets the needs of its users. The size of the facility is not large enough, or of a suitable construction form to meet all that is now required under the new code of welfare.

To comply with new legislative requirements the facility will require extensive demolition work and a major extension.

Alternative accommodation would need to be secured or the business operation outsourced to another provider during the upgrade phase of the facility. Aside from just upgrading the kennels to meet the code of welfare, the cost of refurbishment could likely be more than the cost of rebuilding once the temporary accommodation costs are factored in. Additionally, refurbishment work inherently carries greater risk of unforeseen issues and emergent work, and so cost when compared to new-build.

WSP have concluded that due to the extensive structural work required, interruption of day-to-day business and estimated costs, Option One is not an appropriate solution.

Option Two:

Preliminary drawings and high costs estimates have been produced to provide a fit for purpose building that complies with all requirements under the new code of welfare, addresses the concerns raised by the users of the facility and allows for the enhanced service provisions.

There is land adjacent to the existing facility that has been made available for a new purpose built facility.

Having land available in the same location provides for continuity of business and minimal disruption for both staff and public.

Option Two presents the most convenient and likely cost-effective solution for PNCC to achieve all that is now required under the new animal welfare code, "Temporary Housing for Companion Animals" and also the enhanced service provision requirements of PNCC.

6.2 Recommendations

WSP recommend that PNCC pursue Option Two to construct a New Facility.

The next steps recommended are to:

1. Commission a design consultant to develop an initial design for a new Animal Shelter that meets all requirements under the new Code of Welfare, "Temporary Housing for Companion Animals", and ensure that it can accommodate an education and re-homing area that is now a requirement of PNCC.
2. Commission a Quantity Surveyor to confirm build costs estimates based on the initial design for detailed Business Planning purposes.



Appendix A Data Collection at Existing PNCC Animal Shelter

Data collection of PNCC existing Dog Pound Facility

*Audits Comments**Occupiers Comments*

Minimum Standard No. 3 – Drinking Water for Terrestrial Animals				
Animals must have frequent access to clean and fresh water that is palatable, not harmful to health and available in sufficient quantities to meet their needs.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes This is currently a manual process but achieves the standard
Palatable water is available at all times within enclosures	*			
Water bowls/troughs are clean	*			
Audit completed in January 2019 states "That birds can enter the facility. They are high disease carriers through faeces and bathing in drinking bowls".				
Minimum Standard No. 4 - Assessment on Admittance				
(a) Every animal, on admittance to a temporary housing facility, must be assessed for overt symptoms of health or behavioural problems by an experienced or qualified person. (b) Any incoming animal identified as requiring urgent veterinary treatment must be immediately referred back to the owner and/or receive prompt veterinary attention. (c) Any unvaccinated animal, or animal of unknown vaccination status, must be quarantined for an appropriate amount of time to minimise risk of infecting other animals. (d) Any animal known or suspected of having an infectious disease must be carefully supervised and securely isolated so as to prevent the infection spreading to other animals. (e) Any animal that is assessed as being aggressive, either towards people or other animals, must be handled or housed so as to minimise risk to other animals and staff. (f) A health record must be developed for any animal entering a temporary housing facility and kept in a manner that it can easily be traced back to the animal. (g) When the owner of an animal places the animal in a temporary housing facility, but wishes to retain ownership of the animal, they must sign a consent form to allow veterinary treatment of the animal in the case that the animal becomes ill or injured and they cannot be contacted.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes The size of the existing facility will be unable to accommodate an isolation area due to lack of space.
Animals in the facility show no signs of ill health unless under treatment and appropriately isolated				
Animals that show symptoms of contagious disease are placed in isolation for observation and veterinary treatment if appropriate				
Audit completed in January 2019 states "The facility does not have isolation pens or a separate isolation area"				

"A crush pen should be installed for dealing with aggressive dogs".				
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Minimum Standard No. 6 – Contagious Diseases

(a) Dogs and cats entering a temporary housing facility must: i) be fully vaccinated based on veterinary advice or to the requirements of the particular temporary housing facility; or ii) be kept in quarantine until their immune status has been established, if appropriate. (b) Evidence of vaccination must accompany each relevant animal entering a temporary housing facility. (c) Vaccination certificates must show the date on which the vaccine was administered and the recommended date(s) for revaccination. (d) Staff must be trained to recognise the early signs of a disease outbreak. (e) Any animal suspected of carrying a contagious disease must be immediately isolated and treated appropriately.

	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
Animals that are suspected of carrying a contagious disease are placed in isolation for observation and/or veterinary treatment				There is currently no area in the existing facility to isolate animals.
If a disease outbreak is suspected, animals are compartmentalised to reduce the spread of infection and details of the intervention are documented				
<i>Audit completed in January 2019 states "The pens wash out to an individual drain, however these meet in the corner servicing four pens. This means if the animal in pen 1 is diseased this will wash through to a central point on pes 1, 2, 3 & 4 potentially infecting all dogs.</i>				The size of the existing facility will be unable to accommodate an isolation area due to lack of space.
<i>There is no fall in the exercise yard making it extremely difficult to wash away faeces which often miss the drain. This means the operator has to walk around to the other side to wash the faeces back again!</i>				
<i>Staff have requested that vet/isolation rooms be located at the entrance to the Pound.</i>				

Minimum Standard No. 7 – Providing for Behavioural Needs

(a) Animals in temporary housing facilities must have sufficient space to socialise, rest, sleep, stand, stretch, swim, fly or move freely about (as appropriate to the species). (b) Housing must provide the means for animals to shelter and sleep. (c) Adequate dry, clean, species appropriate bedding must be used for non-aquatic species at all times. (d) Housing must provide the means for animals to meet species-specific needs. (e) Dogs must receive daily exercise sufficient to maintain their health and well-being. (f) Where animals are housed or exercised communally, care must be taken to manage groups to avoid aggressive interaction. (g) Electronic training devices must only be used with the written consent of the owner, under the supervision of qualified and experienced persons, and must not be used in a way that compromises the welfare of the animal. (h) Sufficient perches of varying diameter, roosting areas, and feed and water stations must be provided to meet the needs of all the birds in a cage or aviary.

	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
Normal free movement and access to feed and water is not impeded by space restrictions or excessive competition			*	Due to size of existing kennels this is not achievable.
Animal enclosures are protected from excessive light at night, even if it is generated from outside the premises	*			
Animals can withdraw to a sleeping area that is appropriate for their species, in order to sleep for the time required for that species			*	Due to size of existing kennels this is not achievable.
<i>Audit completed in January 2019 states "Beds and bedding are not provided".</i>				
<i>"The sleeping area in the 7 large kennels is not adequate for large dogs to lay down in".</i>				Removing walls between kennels would achieve this standard however would reduce the over number of kennels available
<i>"A crush pen should be installed for dealing with aggressive dogs".</i>				

Minimum Standard No. 8 – Housing Design and Construction

Housing systems and equipment, including shelters and mechanical equipment, must be designed, constructed and maintained in a manner that allows animals to move around comfortably, without risk of injury, disease or harm and enables them to meet their physical, health and behavioural needs as appropriate for the animals and species. (b) The design, size and maintenance of the openings and doors of housing systems must be such that animals can be placed in or removed from them without injury or distress. (c) All enclosures must be secure, have fencing of an appropriate height and be unable to be opened by animal occupants and/or accessed by unauthorised persons or other animals. (d) Housing systems must be sited to facilitate drainage of storm water away from buildings and to minimise risks posed by natural and environmental hazards. (e) Controlled environment housing must have alarms that warn of power failure and/or significant temperature variance.

	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
The design and construction of facilities allows animals to move around comfortably, without risk of injury			*	The existing drainage covers can cause harm. A major upgrade of this would remedy it.
There are no hazards and no equipment upon which animals may injure themselves in areas to which they have access			*	
Fencing is fixed to the ground and is of an appropriate height that animals cannot climb over it			*	This existing fencing is at the end of its life, however can be replaced.

All animals can be inspected with ease, with minimal handling to reduce stress (i.e. there is good access to all animals and sufficient lighting)			*	This could be achieved with major upgrades
Provisions are in place to control people accessing the premises				
Operation of equipment is monitored daily and corrective action is taken promptly and documented.				
Kennels should be separated by partitions that have both a solid part (wall) and a part where the animals are able to have visual access to each other (wire dividers), allowing dogs the choice of contact.	*			
All outside entrances should be double-door "mantraps". This entails having sufficient space between the doors, allowing one door to be closed behind the person entering before the next door is opened, thereby preventing animals from escaping.			*	
<i>Audit completed in January 2019 states "The sleeping area in the 7 large kennels is not adequate for large dogs to lay down in".</i>				
<i>"A more suitable paint is required on the kennel walls".</i>				
<i>"The mesh size of 75x75 is consider too large - 50x50 is more suitable".</i>				
<i>"The pens are not secured. Animals are able to escape by climbing to the top of the pens".</i>				
<i>"The protruding wire in the pens needs to be addressed".</i>				
<i>"The floor/wall corners are right angle which traps grime, fungi and can cause disease to build up.</i>				
<i>"There are no washing facilities for dogs. Not a requirement but a nice to have!"</i>				
<i>Staff have requested a welfare shower area</i>				
<i>Consideration needs to be given for the facility to be able to house cats in the future. Cage sizes to be suitable.</i>				
<i>Staff have suggested that the 40 pens be broken into 3-4 separate areas for the purpose of separation.</i>				
Minimum Standard No. 9 – General Facility Management				
(a) Measures must be taken to control pests in and around housing and shelters. (b) Terrestrial animals must be able to urinate and defecate away from sleeping and feeding areas.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
The size of each enclosure (for mammals) includes sufficient space for bedding, toileting, and food and water bowls				Removing walls between kennels would achieve this however would reduce the number of kennels
<i>Audit completed in January 2019 states "That birds can enter the facility. They are high disease carriers through faeces and bathing in drinking bowls".</i>				

Minimum Standard No. 10 – Temperature				
a) Temperatures must be maintained at a level that provides for the health and welfare of the animals, as appropriate to the species. (b) Immediate remedial action must be taken when animals show signs of discomfort as a result of exposure to excessive cold or heat.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes The building in its current state will never achieve meeting the appropriate temperatures
Temperature at the level of the animals is monitored and is within the temperature range that is appropriate for the species				
A thermometer should be installed in areas best suited to monitor temperature changes to ensure that the temperature stays within an appropriate range for the species of animals being held.	*			
Audit completed in January 2019 states "Temperatures currently range between 37.5 degrees in Summer down to 2.3 degrees in Winter".				
Minimum Standard No. 11 – Lighting				
(a) Animals must be provided with natural or artificial light of appropriate intensity for a duration appropriate for their species. (b) Natural light (not filtered by glass or plastic) or artificial UV lighting must be provided to reptiles. (c) Lighting must be available and sufficient to enable thorough inspection of all animals and housing areas.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
Light control systems are working and are well maintained	*			
Light levels during inspection are sufficient to ensure that all animals in all parts of the facility are clearly visible	*			
There are no injuries caused by low light intensity	*			
Minimum Standard No. 12 – Air and Water Quality				
Ventilation of the housing facility must be sufficient to prevent the build-up of heat, humidity, dust or noxious gases to levels that are harmful to animal health or that cause pain or distress to animals.				
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes

<i>Audit completed in January 2019 states "That birds can enter the facility. They are high disease carriers through faeces and bathing in drinking bowls".</i>				
Minimum Standard No. 14 – Isolation Management Suitable isolation facilities must be immediately available, and must be used when any animal is either suspected of, or has been diagnosed with, a contagious disease or a condition that requires segregation.				The building in its current state will never achieve meeting the appropriate temperatures
	Already meets "New Code of Welfare"	Minor upgrades will meet "New Code of Welfare"	Major upgrades will need "New Code of Welfare"	Notes
A facility is available which will adequately isolate animals suspected of, or known to be, carrying an infectious disease, from unaffected animals. For animals in shelters, this may include the use of foster homes.				The size of the existing facility will be unable to accommodate an isolation area due to lack of space.
Access to and from the isolation area should be separate from other entry/exit points used by other animals.				
Cages/kennels in the isolation area should be separated by solid partitions (walls) to preclude contact between animals.				
The isolation area should have its own drainage, ventilation and water supply systems and enclosures should not be able to drain waste into adjoining enclosures.				
There should be provision for all equipment used within the isolation area (e.g. food bowls, waste buckets, carry cages, towels, brushes, leads, nets) to remain in the isolation area or be disinfected before leaving the area.				
Hand washing facilities and appropriate footbaths/pads should be used at all entry/exit points. Where footbaths/pads are not present, disposable shoe coverings should be worn or footwear should be kept in the isolation area.				
<i>Audit completed in January 2019 states "The facility does not have isolation pens or a separate isolation area"</i>				

In addition to complying with the new Code of Welfare Act for the Temporary Housing of Animals staff are requesting that the facility be able to host approx 30 people for the purpose of education, interacting and future adoption of animals. This area to have a viewing area where people can see the animals. The building in its current state is unable to accommodate this.

*The existing office accommodation currently can accommodate 2 maybe 3 staff. The need is now for between 6 - 8 staff to be located at the pound.
The existing staff kitchen and "dog food preparation" area also require updating.*



Appendix B Shared Facility Data from PNCC



Shared Facility with another Council -

- 22nd October 2019 - Email correspondence between PNCC and Manawatu District Council (MDC) regarding entering into a joint venture.
- 26th November 2019 - Email from PNCC confirming MDC's rejection of a joint venture.

Broderick, Jocelyn

From: Herb Verstegen <herb.verstegen@pncc.govt.nz>
Sent: Friday, 25 October 2019 2:23 PM
To: Jeans, Robert
Subject: FW: Animal Shelter/pound and Education Centre

Hi Robert,

Here is the correspondence between PNCC and MDC over a joint venture.

I will be sending you through the other bits I have shortly.

Regards

HERB VERSTEGEN | Team Leader Animal Management & Education

Palmerston North City Council | Private Bag 11034 | Palmerston North
 P: +64 (6) 3568199 | www.pncc.govt.nz

From: Chris Dyhrberg
Sent: Tuesday, 22 October 2019 12:14 PM
To: shayne.harris@mdc.govt.nz
Cc: Tania Mattock <Tania.Mattock@pncc.govt.nz>; Colin Perrin <Colin.Perrin@pncc.govt.nz>; Herb Verstegen <herb.verstegen@pncc.govt.nz>; karel.boakes@mdc.govt.nz
Subject: RE: Animal Shelter/pound and Education Centre

Hi Shayne

We've just had a project meeting and have agreed that we need to accelerate our process for developing the business case and options paper. Given that, I'm very keen work through whether the option of a joint pound build by PNCC and MDC is a goer or not. As per Herb's email below, I understand that Richard and Heather have had a brief chat and agreed we need to explore the idea.

Any chance we could pop over for a chat on this sometime soon? The key thing we need to understand is what it would have to look like to meet the basic requirements for MDC.

Cheers

CHRIS DYHRBERG | Chief Customer and Operating Officer

Palmerston North City Council | Private Bag 11034 | Palmerston North
 M: +64 27 496 1982 | DDI: +64 (6) 351 4537 | www.pncc.govt.nz

From: Herb Verstegen
Sent: Wednesday, 16 October 2019 11:38 AM
To: karel.boakes@mdc.govt.nz; shayne.harris@mdc.govt.nz
Cc: Chris Dyhrberg <chris.dyhrberg@pncc.govt.nz>; Tania Mattock <Tania.Mattock@pncc.govt.nz>; Colin Perrin <Colin.Perrin@pncc.govt.nz>
Subject: Animal Shelter/pound and Education Centre

Good Morning Karel and Shayne,

You may be aware that PNCC are in the planning stages of developing a new Animal Shelter/Pound and Education Centre.

It has been brought to my attention that our respective CEO's have had a discussion around the possibility of a joint facility, and I have been asked to investigate this further.

It would be great to have the opportunity to have a catch up, and a discussion around this. We would like to hear your thoughts on the idea of possibly having a joint facility that would service both communities.

We have some ideas that we would like to share with you, and feel that this could potentially be a great opportunity to ensure that both Councils fulfil their obligations under the new animal welfare legislation, Code of Welfare for Temporary Housing of Companion Animals, and provide a learning space to deliver dog education for our wider community.

I look forward to hearing from you soon.

Kind regards

HERB VERSTEGEN | Team Leader Animal Management & Education

Palmerston North City Council | Private Bag 11034 | Palmerston North

P: +64 (6) 3568199 | www.pncc.govt.nz



Broderick, Jocelyn

From: Bryce Hosking <Bryce.Hosking@pncc.govt.nz>
Sent: Tuesday, 26 November 2019 11:42 AM
To: Kerry-Lee Probert; Jeans, Robert
Subject: RE: MDC- FYI

This was a high-level option considered, however, yes we have discounted this as not viable.

BRYCE HOSKING | Manager - Property

Palmerston North City Council | Private Bag 11034 | Palmerston North
 P: +64 (6) 3568199 | M: +64 (21) 446288 | www.pncc.govt.nz

From: Kerry-Lee Probert <kerry-lee.probert@pncc.govt.nz>
Sent: Tuesday, 26 November 2019 10:19 AM
To: Bryce Hosking <Bryce.Hosking@pncc.govt.nz>; Robert.Jeans@wsp.com
Subject: MDC- FYI

Hi Bryce and Robert,

I understand from Chris Dyhrberg, that as part of the Business Case there was an expectations that PNCC would determine whether MDC would like to come on board with this project.

However Chris has confirmed that MDC are not willing to pursue a joint venture.

Regards,

KERRY-LEE PROBERT | Head of Environmental Protection Services

Palmerston North City Council | Private Bag 11034 | Palmerston North
 P: +64 (6) 3568199 | M: +64 (21) 390852 | www.pncc.govt.nz

From: Bryce Hosking <Bryce.Hosking@pncc.govt.nz>
Sent: Wednesday, 20 November 2019 1:02 PM
To: Tom Williams <tom.williams@pncc.govt.nz>; Chris Dyhrberg <chris.dyhrberg@pncc.govt.nz>; Herb Verstegen <herb.verstegen@pncc.govt.nz>; Julie Matheson <julie.matheson@pncc.govt.nz>
Cc: Hayley Sandilands <Hayley.Sandilands@pncc.govt.nz>
Subject: Dog Pound Update

Hi all,

Please see the update below regarding the Dog Pound and the work WSP (formally OPUS) is doing for us. Things are progressing well.

Any questions - please ask.

BRYCE HOSKING | Manager - Property

Palmerston North City Council | Private Bag 11034 | Palmerston North
 P: +64 (6) 3568199 | M: +64 (21) 446288 | www.pncc.govt.nz

From: Jeans, Robert <Robert.Jeans@wsp.com>
Sent: Wednesday, 20 November 2019 11:53 AM
To: Bryce Hosking <Bryce.Hosking@pncc.govt.nz>
Subject: Dog Pound Update

Hi Bryce,

With the meeting having been delayed, till the end of the week, I thought to update you on progress:

Stage 1: Data collection and scoping

- This is complete, and is in the order of the estimate provided of \$3,500 (need to run a final hours report, but around \$3,600).
- We have reviewed the information supplied by yourselves and undertaken an audit of the existing facility.

Stage 2: Analysis and Optioneering

- Sketches currently being prepared by the Architect for a new build option (Option 1). Item for Friday is to discuss sub-options of what facilities should be incorporated e.g. basic compliant and additional facilities etc.
- We are also undertaking an assessment and will schedule the works to the existing in order to detail what would be required to make it compliant (Option 2). We would like to discuss on Friday how far you would like us to go with this element – by inspection it can be seen that it will be hard to make it compliant and to provide best practice without a level of work which almost becomes a re-build.
- Currently we have allowed for summarising and drawing conclusions on the work completed by Herb on options 3 and 4 (shared service and outsourcing). – We would like to discuss on Friday if you would like us to complete any investigations / further work around these options or if you are comfortable with the conclusions we have drawn from the work completed by Herb to date.
- Cost is expected to be in the region of \$7,500 (based on the above).

Stage 3: Cost Assessment

- This is currently underway for option 1 running in parallel with the Architect for expediency given the timeframes.
- Cost for option 1 assessment is expected to be \$3,750 - \$5,000.
- We would like to discuss on Friday what level of costing you would like for Option 2 – as noted above achieving compliance is likely to be almost a re-build.

Stage 4: Reporting

- We will have a layout / rough outline of this for Friday.
- Detailed draft in hand for 29 November.
- Complete report during December.
- As described above for Options 3 and 4 the reporting will comprise the presentation of our summary and the conclusions we drawn.
- Expected cost (with current assumptions on options 3 and 4) in the order of \$5,000.

We look forward to running through the above and our initial report layout with you on Friday, but please do not hesitate to contact us with any queries in the meantime.

Many thanks,

Robert

Robert Jeans

Team Lead - Buildings Project Management



T: +64 6 357 8009
M: +64 272984653
Robert.Jeans@wsp.com

WSP
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478 Main Street
Palmerston North 4410
New Zealand

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Appendix C Outsourcing Data from PNCC



Outsourcing Service to a Private Supplier -

- 30th October 2019 – Email from PNCC including 2x attachments
 - Details of kennels approached and their response to running the service for PNCC.
 - Requirements of provider to run the facility.
- 30th October 2019 - Email from Midhurst Kennels and Cattery withdrawing from submitting a proposal.

Broderick, Jocelyn

From: Herb Verstegen <herb.verstegen@pncc.govt.nz>
Sent: Wednesday, 30 October 2019 10:54 AM
To: Jeans, Robert
Subject: Animal shelter outsource option.
Attachments: boarding kennel approach.docx; Midhurst Kennels and Cattery approach sheetl.docx

Hi Robert,

Please find attached the work I've put into the outsourcing option of the new PNCC Animal Shelter.

I have had a response from Midhurst Kennels and Cattery this morning, and will forward that to you shortly.

Regards

Herb

HERB VERSTEGEN | Team Leader Animal Management & Education

Palmerston North City Council | Private Bag 11034 | Palmerston North

P: +64 (6) 3568199 | www.pncc.govt.nz



Private Boarding Kennels approached regarding willingness and suitability to run a pound facility for PNCC

Business name	Location	Phone #	Suitability	willingness	Opening Hours
K9 Clips	1299C Rangitikei line	06 353 5554	Ample space, good location	No	8-10 AM & 4-6 PM
Happy Paws	45 Lockwood Road	06 329 0753	Small facility, long way out of town	Yes	8-11 AM & 3-6PM
Midhurst Kennels	142 Midhurst Road PN	06 357 8240	Large facility and good location	Yes	8-10 AM & 4-6 PM
Tolly Farm	94 Mulgrave street AshHurst	06 326 8553	Small facility long way out of town	No	7-9 AM & 4-7 PM
Palmerston North SPCA	93 Napier Road	06 357 2516	Insufficient space	No	10 AM – 4 PM

Having spoken to the owners/Managers of the above facilities, the main concern is that we do not have a vaccination history of the dogs that we impound, that would put their boarding customers at risk. The second concern is for security around housing dangerous dogs and potentially aggressive people wanting to get their dogs out of the pound and coming around at unknown times.

Of the two facilities that have indicated that they would consider operating as a pound, Midhurst Kennels is the best suited facility.

What PNCC would require from Midhurst Kennels and Cattery if they were to run as a pound facility.

Facility Security:

- secure kennels so that dogs cannot escape
- secure compound as to prevent members of the public accessing or entering freely to the “pound” area
- secure loading/unloading area for ACO to use when dropping off or picking up dogs
- surveillance cameras to record any suspicious or unwanted behaviour
- adequate H & S signage
- electric security fencing

MPI Requirements:

- comply with all aspects of the *Code of Welfare for Temporary Housing of Companion Animals* (copy provided)

Exercise areas:

- ensure that you have adequately sized exercise areas
- shade and shelter in each area
- water available ad lib
- stimulation for dogs

Record keeping:

- daily health check sheets
- impounding records on site
- identification of each dog on the kennel door, or similar

K9 health:

- supply adequate and appropriate food and water to maintain health and body condition
- scales to measure weight loss or gain
- suitably qualified person to assess and record k9 health daily
- the ability to implant microchips dogs
- daily kennel maintenance with appropriate viricides and cleaning products
- waste management
- ability to administer medications

Dog handling:

- the ability to handle dangerous dogs
- handling dogs of all sizes, shapes and ages

K9 Housing:

- adequate space for puppies
- adequate space for bitches with litters
- quarantine area
- isolation area
- climate controlled housing
- disease management

Livestock:

- secure stock pound with suitable yards
- ability to accommodate all types of livestock
- supply adequate feed for livestock
- supply supplement feed in needed

Further points:

- Detailed monthly invoice to PNCC
- Animal control staff will assist when required.
- Midhurst Kennels and Cattery to be responsible for health and safety of all dogs in their care and their staff.
- PNCC responsible for PNCC staff while on site and members of the public coming to collect dogs.
- Euthanasia's to be done by PNCC staff off site
- All payments for impounded dogs to be done at PNCC offices

Please have something back to me before Friday the 1st of November 2019

Kind regards

Herb Verstegen

Team Leader Animal Management and Education

Broderick, Jocelyn

From: Herb Verstegen <herb.verstegen@pncc.govt.nz>
Sent: Wednesday, 30 October 2019 10:54 AM
To: Jeans, Robert
Subject: FW: Proposal

As per my last email, please see below.

Regards

Herb

HERB VERSTEGEN | Team Leader Animal Management & Education Palmerston North City Council | Private Bag 11034 | Palmerston North
P: +64 (6) 3568199 | www.pncc.govt.nz

-----Original Message-----

From: Midhurst Kennels and Cattery <midhurst@inspire.net.nz>
Sent: Wednesday, 30 October 2019 10:15 AM
To: Herb Verstegen <herb.verstegen@pncc.govt.nz>
Subject: Proposal

Good morning Herb,

Thank you very much for giving us the opportunity to look at the pound proposal. unfortunately, we will not be putting a proposal forward, predominately due to the financial costs involved to set up an appropriate facility.

Kind regards

Tony and Michelle

--

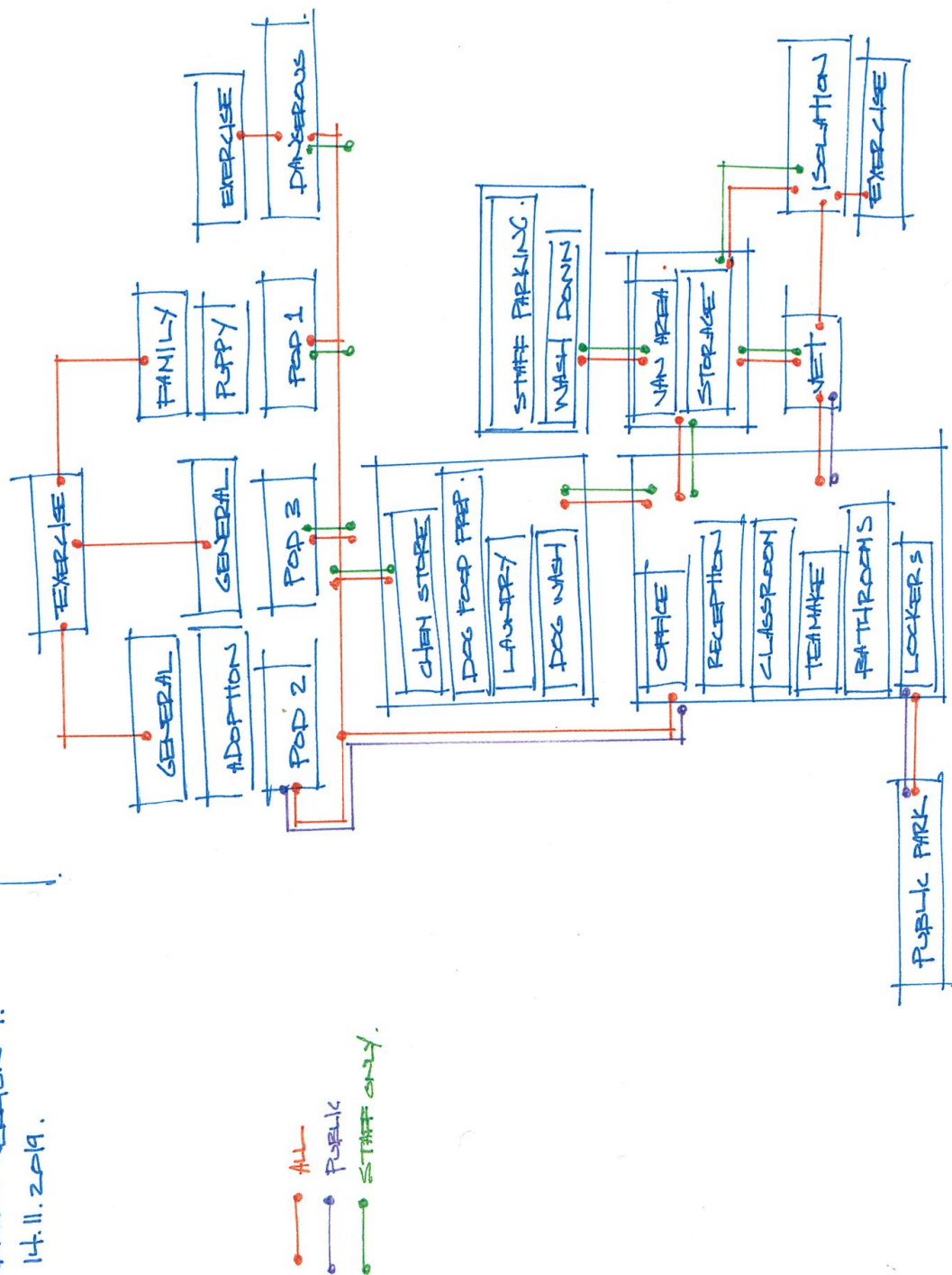
Kind regards,

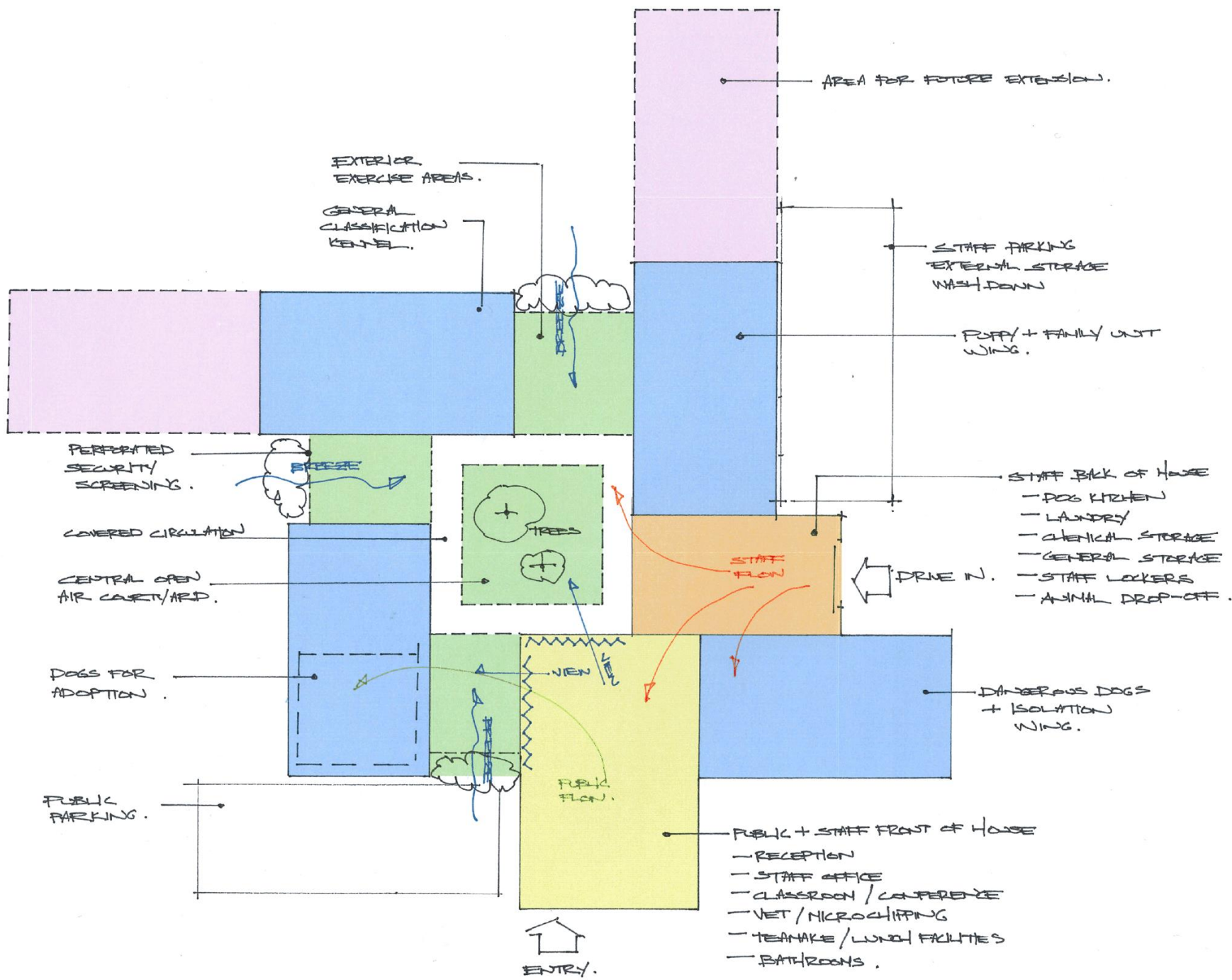
Midhurst Kennels & Cattery
Phone: 06 357 8240
142 Midhurst Street
RD 10
Palmerston North
Manawatu 4470
New Zealand
Email: midhurst@inspire.net.nz
Website: <http://www.dogbox.co.nz>



Appendix D Concept Drawings

PRC ANIMAL SHELTER.
 RELATIONSHIP DIAGRAMME
 DRAFT VERSION 1.
 14.11.2019.



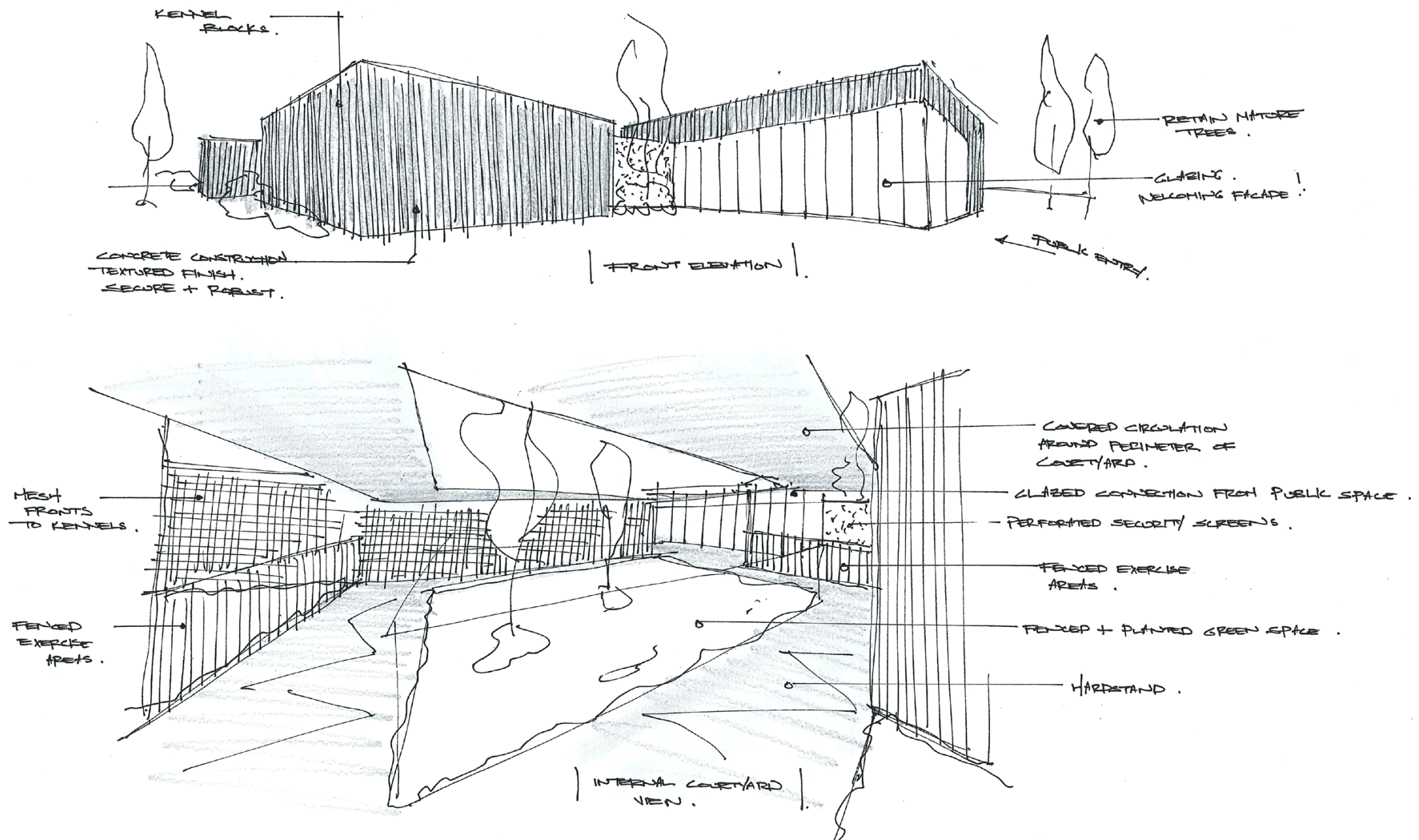


REVISION	AMENDMENT	APPROVED	DATE

wsp
Palmerston North Office
PO Box 1472
Palmerston North 4440
New Zealand
+64 6 350 2500

SCALE		ORIGINAL SIZE
		A1
DRAWN	DESIGNED	APPROVED
J.Lavery	J.Lavery	R.Jeans
DRAWING VERIFIED	DESIGN VERIFIED	APPROVED DATE
		20.12.2019
CONCEPT		

PROJECT			
PALMERSTON NORTH CITY COUNCIL			
ANIMAL SHELTER CONCEPT OPTIONS REPORT			
TITLE			
INDICATIVE BLOCK PLAN / ZONE ARRANGEMENT			
OPUS PROJECT NO.	PROJ-ORIG-VOL-LVL-TYPE	SHEET NO.	SUITABILITY
5-P1338.00		SK01	
		REVISION	



REVISION	AMENDMENT	APPROVED	DATE

wsp
 PO Box 1472
 Palmerston North 4440
 New Zealand
 +64 6 350 2500

SCALE	ORIGINAL SIZE
	A1
DRAWN J.Lavery	DESIGNED J.Lavery
DRAWING VERIFIED	DESIGN VERIFIED
	APPROVED R.Jeans
	APPROVED DATE 20.12.2019
CONCEPT	

PROJECT PALMERSTON NORTH CITY COUNCIL ANIMAL SHELTER CONCEPT OPTIONS REPORT			
TITLE ARTISTS IMPRESSION			
OPUS PROJECT NO. 5-P1338.00	PROJ ORIG VOL LVL TYPE	SHEET NO. SK02	SUITABILITY REVISION



Appendix E Cost Estimate

PNCC Animal Shelter | Room Schedule & Cost Estimate | Refurb (Option 1)

Item # / Area or Room Name	Area Description	Area (m2)	Rate (\$/m2)	Cost Estimate
Kennels & associated spaces				
1. Kennel 1	General classification dogs. Space for 10 enclosures, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
2. Kennel 2	General classification & dogs ready for adoption. Space for 10 enclosures, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
3. Kennel 3	Puppy & family specific unit. Space for 6 standard size enclosures for puppies & 2 double sized enclosures for family units, run and circulation included	80	\$ 3,700.00	\$ 296,000.00
4. Kennel 4	Dangerous classification dogs & isolation unit	80	\$ 3,700.00	\$ 296,000.00
Sub-total (m2/\$)		320		\$ 1,184,000.00
Staff & public "front of house"				
5. Reception	Small Reception Space	4	\$ 750.00	\$ 3,000.00
6. Staff office	Sized for 4 people @ 4m2 per person	22	\$ 750.00	\$ 16,500.00
7. Hallway	Shared access hallway	22	\$ 750.00	\$ 16,500.00
8. Bathrooms	Staff facilities	6	\$ 750.00	\$ 4,500.00
9. Teamate / Lunch area	Staff facilities	3	\$ 750.00	\$ 2,250.00
Sub-total (m2/\$)		57		\$ 42,750.00
Staff only "back of house"				
11. Dog kitchen		4	\$ 3,900.00	\$ 15,600.00
12. Dog wash		2	\$ 3,900.00	\$ 7,800.00
13. Laundry	Space for small commercial washer, dryer, tub storage cupboard and work bench area	5	\$ 3,900.00	\$ 19,500.00
14. Chemical storage	Area for installation of proprietary cabinets	4	\$ 3,900.00	\$ 15,600.00
15. Staff lockers	Area for installation of 8x full height powdercoated lockers @ 1m2 per person	8	\$ 3,900.00	\$ 31,200.00
16. Van area (internal drop-off)		33	\$ 3,900.00	\$ 128,700.00
17. Storage (internal)		10	\$ 3,900.00	\$ 39,000.00
Sub-total (m2/\$)		66		\$ 257,400.00
Exterior works				
18. Public car parking area	Allowance for 6 car parks (2.5x5.4m) including 1 accessible (3.6x5.4m)	90	\$ 90.00	\$ 8,100.00
19. Staff parking area	Allowance for 8 car parks (2.5x5.4m)	108	\$ 90.00	\$ 9,720.00
20. Vehicle wash-down pad	Hardstand area with falls, drainage etc for van washdown (4x8m)	32	\$ 400.00	\$ 12,800.00
21. Storage area	Hardstand area for skip bins etc	10	\$ 90.00	\$ 900.00
22. Site services	General allowance (includes allowance for security fencing)			\$ 185,000.00
23. Exercise areas	Allowance for hardstand but could be grassed	90	\$ 90.00	\$ 8,100.00
24. Courtyard circulation & covered way	Hardstand with shade structure over	51	\$ 600.00	\$ 30,600.00
25. Courtyard landscaping	Grassed are with planting and trees	49	\$ 45.00	\$ 2,205.00
26. Soft landscaping	General allowance			\$ 5,000.00
Sub-total (m2/\$)		430		\$ 262,425.00
Demolition Costs				
5. Kennels & associated spaces		320	\$ 432.00	\$ 138,240.00
Sub-total (m2/\$)		320		\$ 138,240.00
Additional Items				
27. Design contingency	2.50%			\$ 47,120.38
28. Construction contingency	20.00%			\$ 376,963.00
Sub-total				\$ 424,083.38
Total (m2/\$)		873		\$ 2,308,696.38

Note that an increased contingency of 20% for Option One refurbishment vs 15% Option Two new build has been included to allow for the inherent increased risk of unforeseen issues and emergent work, and thus cost of refurbishment vs new-build.

Note that the cost estimate above excludes the following:

- . Goods and service tax.
- . Consent fees and costs.
- . Design consultant fees and costs.
- . Insurances.
- . Land purchase and associated costs.
- . Furniture, fittings and equipment.
- . Relocation and temporary facility costs.

PNCC Animal Shelter | Room Schedule & Cost Estimate | New Build (Option 2)

Item # / Area or Room Name	Area Description	Area (m2)	Rate (\$/m2)	Cost Estimate
Kennels & associated spaces				
1. Kennel 1	General classification dogs. Space for 10 enclosures, run and circulation included	80	3700	\$ 296,000.00
2. Kennel 2	General classification & dogs ready for adoption. Space for 10 enclosures, run and circulation included	80	3700	\$ 296,000.00
3. Kennel 3	Puppy & family specific unit. Space for 6 standard size enclosures for puppies & 2 double sized enclosures for family units, run and circulation included	80	3700	\$ 296,000.00
4. Kennel 4	Dangerous classification dogs & isolation unit	80	3700	\$ 296,000.00
Sub-total (m2/\$)		320		\$ 1,184,000.00
Staff & public "front of house"				
5. Reception	Allows space for seating	8	4500	\$ 36,000.00
6. Staff office	Sized for 8 people @ 4m2 per person	32	4500	\$ 144,000.00
7. Classroom / Conference room	Sized for 30 people @ 2m2 per person	60	4500	\$ 270,000.00
8. Bathrooms	Shared public and staff facilities	6	4500	\$ 27,000.00
9. Teamate / Lunch area	Shared public and staff facilities	8	4500	\$ 36,000.00
10. Vet & microchipping		4	4500	\$ 18,000.00
Sub-total (m2/\$)		118		\$ 531,000.00
Staff only "back of house"				
11. Dog kitchen		4	3900	\$ 15,600.00
12. Dog wash		2	3900	\$ 7,800.00
13. Laundry	Space for small commercial washer, dryer, tub storage cupboard and work bench area	5	3900	\$ 19,500.00
14. Chemical storage	Area for installation of proprietary cabinets	4	3900	\$ 15,600.00
15. Staff lockers	Area for installation of 8x full height powdercoated lockers @ 1m2 per person	8	3900	\$ 31,200.00
16. Van area (internal drop-off)		33	3900	\$ 128,700.00
17. Storage (internal)		10	3900	\$ 39,000.00
Sub-total (m2/\$)		66		\$ 257,400.00
Exterior works				
18. Public car parking area	Allowance for 6 car parks (2.5x5.4m) including 1 accessible (3.6x5.4m)	90	90	\$ 8,100.00
19. Staff parking area	Allowance for 8 car parks (2.5x5.4m)	108	90	\$ 9,720.00
20. Vehicle wash-down pad	Hardstand area with falls, drainage etc for van washdown (4x8m)	32	400	\$ 12,800.00
21. Storage area	Hardstand area for skip bins etc	10	90	\$ 900.00
22. Site services	General allowance (includes allowance for security fencing)			\$ 185,000.00
23. Exercise areas	Allowance for hardstand but could be grassed	90	90	\$ 8,100.00
24. Courtyard circulation & covered way	Hardstand with shade structure over	51	600	\$ 30,600.00
25. Courtyard landscaping	Grassed are with planting and trees	49	45	\$ 2,205.00
26. Soft landscaping	General allowance			\$ 5,000.00
Sub-total (m2/\$)		430		\$ 262,425.00
Additional items				
27. Design contingency	2.50%			\$ 55,870.63
28. Construction contingency	15.00%			\$ 335,223.75
Sub-total				\$ 391,094.38
Total (m2/\$)		934		\$ 2,625,919.38

Note that the cost estimate above excludes the following:

- Goods and service tax.
- Consent fees and costs.
- Design consultant fees and costs.
- Insurances.
- Land purchase and associated costs.
- Furniture, fittings and equipment.
- Relocation costs.



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COMMITTEE WORK SCHEDULE

TO: Finance & Audit Committee

MEETING DATE: 19 February 2020

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the Finance & Audit Committee receive its Work Schedule dated February 2020.

ATTACHMENTS

1. Work Schedule  

FINANCE & AUDIT COMMITTEE

COMMITTEE WORK SCHEDULE – FEBRUARY 2020

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	February 2020	Quarterly Performance and Finance Report	Chief Financial Officer		
2.	March 2020	Health and Safety quarterly update	Human Resources Manager		
3.	March 2020	Business Continuity Planning PNCC update	Chief Customer Officer	Will be looked at by new Risk Manager role	19 February 2018 Clause 4.2 (Audit & Risk)
4.	May 2020	Issues and options report on the audit issues facing Council Controlled Organisations	Chief Financial Officer	Once outcome of S17A reviews are determined	10 September 2018 clause 27.6
5.	July 2020	Expenses of the Mayor and Deputy Mayor	General Manager – Strategy and Planning		Council 13 November 2019 Clause 148.6
6.		Management Agreed Corrective Actions Implementation Progress	General Manager – Strategy and Planning	To be deleted – new reporting regime to be implemented alongside new Business Assurance approach	6 May 2019 Clause 17.2